



**HOUSING AUTHORITY
of the County of Los Angeles**

Administrative Office:

2 Coral Circle • Manerney Park, CA 91755

323.890.7001 • www.lacdc.org

Gloria Molina
Yvonne Brathwaite Burke
Zev Yaroslavsky
Dan Knabe
Michael D. Antonovich
Commissioners

Carlos Jackson
Executive Director

**AGENDA
FOR THE REGULAR MEETING OF THE
LOS ANGELES COUNTY HOUSING COMMISSION
WEDNESDAY, APRIL 28, 2004
12:00 NOON
2 CORAL CIRCLE
2423 FOOTHILL BLVD.
LA CRESCENTA, CALIFORNIA 91214
(661) 255-5818**

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1. Call to Order:

2. Roll Call:

Treneatra Farmer, Chair
Henry Porter, Vice-Chair
Chris Amegatcher
Severyn Aszkenazy
Phillip Dauk
Lynn Caffrey Gabriel
Sharon M.Y. Lowe
Felicia Mollinedo
Andrew Nguyen

3. Reading and Approval of the Minutes of the Previous Meeting:

Regular Meeting of March 24, 2004.

4. Report of the Executive Director

5. Report on Headquarters Relocation – Michael Popwell and Theresa Wesson

Regular Agenda

6. Approve Funding of Housing Authority Projects with Fiscal Year 2004-2005 Community Development Block Grant Funds

Recommendation: Approve and authorize the Executive Director of the Housing Authority to accept from the County of Los Angeles an estimated \$2,179,782 in Fiscal Year 2004-2005 (July 1, 2004 to July 30, 2005) Community Development Block Grant funds to continue administration of \$360,560 in prior year CDBG funds, as identified in the Housing Authority portion of the Los Angeles Urban County Fiscal Year 2004-2005 One Year Action Plan. To incorporate the \$2,179,782 in new CDBG funds into the approved Fiscal Year 2004-2005 budget.



- of the Housing Authority. Authorize the Executive Director or designee to execute CDBG Reimbursable Contract Amendments with the County of Los Angeles, using substantially the form of attached, to extend the contracts through June 30, 2005 for projects at the Woodcrest and Nueva Maravilla housing developments using \$360,560 in prior-year CDBG funds. (APPROVE)
7. **Approve the Housing Authority's Fiscal Year 2004-2005 Budget**
Recommendation: Approve the Housing Authority's Fiscal Year 2004-2005 Budget, which includes revenues and expenditures of \$268,751,500; and instruct the Executive Director to implement the Budget and take all related actions, including execution of all required documents, for the purposes described herein and adopt the attached Resolution approving the Fiscal Year 2004-2005 Budget of the Housing Authority. (APPROVE)
8. **Approve Support Services Agreement with Norstan Communications, Inc.**
Recommendation: Find that the Support Services Agreement between the Housing Authority and Norstan Communications, Inc. is exempt from the National Environmental Policy Act (CEQA), as described herein, because the proposed Agreement will not have the potential for causing a significant effect on the environment. Approve and authorize the Executive Director of the Housing Authority to execute a one-year Support Services Agreement with Norstan Communications, Inc. in substantially the form of the attached, to provide support services and upgrades for the Cisco Voice Over Internet Protocol (VOIP) Telephony system and Call Center application, at a cost of \$143,827, to be effective following approval as to form by County Counsel and execution by all parties. (APPROVE)
9. **Approve a Community Development Block Grant Float Loan to the Housing Authority of the County of Los Angeles for Rehabilitation of Six Housing Developments**
Recommendation: Approve a 30-month Community Development Block Grant Float Loan Agreement in the form of the attached, for \$6,200,000 in Countywide Community Development Block Grant funds with the County of Los Angeles to fund rehabilitation activities at housing developments including Nueva Maravilla in unincorporated East Los Angeles; Carmelitos in the City of Long Beach; Harbor Hills in the City of Lomita; Orchard Arms in Valencia; Foothill Villa in La Crescenta; and Southbay Gardens in unincorporated South Los Angeles and authorize the Executive Director to execute the Float Loan Agreement and all related documents, to be effective following approval as to form by County Counsel and execution by all parties. (APPROVE)
10. **Approve Administrative and Personnel Policies for the Community Development Commission**
Recommendation: Approve the Community Development Commission's amended Administrative and Personnel Policies, which provide a framework for the Commission's personnel system and ensure compliance with Federal and State regulations, to be effective upon the date of Board approval. (APPROVE)

11. Conflict of Interest Policy

Recommendation: Review and approval is the proposed Conflict of Interest Policy for the Housing Commission. The purpose of the policy is to provide guidelines to ensure that all official actions taken by members of the Housing Commission are fair and impartial, and that such actions do not constitute a conflict of interest with the goals and objectives of the Housing Authority Review and approve the proposed Conflict of Interest Policy for the Housing Commission. (APPROVE)

12. Recommendation to Reschedule the Meeting of May 26, 2004

13. Housing Commissioner Comments and Recommendations for Future Agenda Items. Housing Commissioners may provide comments or suggestions for future agenda items.

14. Public Comments. The public may speak on matters that are within the jurisdiction of the Housing Commission. Each person is limited to three minutes.

Copies of the preceding agenda items are on file and are available for public inspection between 8:00 a.m. and 5:00 p.m., Monday through Friday, at the above address. Access to the agenda and supporting documents is also available on the Housing Authority's website.

Agendas in Braille are available upon request. American Sign Language (ASL) interpreters, or reasonable modifications to Housing Commission meeting policies and/or procedures, to assist members of the disabled community who would like to request a disability-related accommodation in addressing the Commission, are available if requested at least three business days prior to the Board meeting. Later requests will be accommodated to the extent possible. Please contact the Executive Office of the Housing Authority by phone at (323) 838-5051, or by e-mail at Marisol.Ramirez@lacdc.org, from 8:00 a.m. to 5:00 p.m., Monday through Friday.

THE HOUSING AUTHORITY OF THE COUNTY OF LOS ANGELES

MINUTES FOR THE REGULAR MEETING OF THE

LOS ANGELES COUNTY HOUSING COMMISSION

Wednesday, March 24, 2004

Digest of the meeting. The minutes are being reported seriatim. A taped record is on file in the central office of the Housing Authority.

The meeting was called to order by Chair Treneatra Farmer at 12:14 p.m.

ROLL CALL	<u>Present</u>	<u>Absent</u>
Chris Amegatcher	X	
Severyn Aszkenazy		X
Phillip Dauk	X	
Treneatra Farmer	X	
Lynn Gabriel	X	
Felicia Mollinedo	X	
Andrew Nguyen	X	
Henry Porter, Jr.	X	

PARTIAL LIST OF STAFF PRESENT:

Bobbette Glover, Assistant Executive Director
Rebecca Craigo, Director, Assisted Housing Division
Marie Quon, Assistant Director, Assisted Housing Division
Maria Badrakhan, Director, Housing Management Division
Esther Keosababian, Assistant Director, Housing Management
Kevin Fulton, Manager, Housing Management Division
Arlene Black, Manager, Housing Management Division
Jim Becker, Manager, Assisted Housing Division
Marcie Miranda, Analyst, Housing Management Division
Carolina Romo, Manager, Housing Management Division
Geoffery Siebens, Manager, Construction Management Division
Marisela Crabbe, Analyst, Housing Management
Darlene Aikens, Analyst, Assisted Housing

PARTIAL LIST OF GUESTS PRESENT:

No guests were in attendance.

Reading and Approval of the Minutes of the Previous Meeting

On Motion By Commissioner Gabriel, seconded by Commissioner Amegatcher, the Minutes of the Regular Meeting of February 25, 2004, were approved.

Agenda Item No. 4 - Report of the Executive Director

This report was presented by Bobbette Glover with staff participation.

Esther Keosababian reported on the Service Learning Center program that allows college students to earn school credits while assisting public housing residents as tutors, recreation leaders and workforce development mentors. The program operates without funding from the Housing Authority.

Bobbette Glover announced that Commissioner Farmer and Rebecca Craigo attended the NAHRO Legislative Conference in Washington, D.C. on March 15, 2004. Commissioner Farmer stated that at one meeting she was able to provide input on the importance of continued funding for public housing programs.

Rebecca Craigo discussed proposed cuts in federal funding, and reported that staff had recently met with legislative leaders to advise them of the negative impact of the reductions. Commissioner Mollinedo offered assistance in opposing the cuts, and staff agreed to prepare letters to be sent by the Housing Commissioners to the appropriate representatives. While in Washington, staff also addressed questions regarding the excessive issuance of housing vouchers by the City Housing Authority, and the impact on Los Angeles County and other local housing agencies.

Agenda Item No. 5 – Staff Report on Section 8 Portability

Rebecca Craigo reported that the number of Section 8 Program participants who have received vouchers from other housing authorities and wish to transfer to the Housing Authority's area of jurisdiction, has recently declined from 500 to 20 per week. Staff received notification from the City Housing Authority on March 16, 2004, advising that 114 City contracts will be cancelled back to February 8, 2004, despite payment by the Housing Authority of the March rents. Almost half of the anticipated City contracts have not "ported" to the Housing Authority's jurisdiction, as anticipated.

Agenda Item No. 6 – Staff Report on Section 8 Program Tenant Relocations

Jim Becker reported on the process followed when a tenant assisted under the Section 8 Program wishes to relocate to another assisted unit. Commissioner Mollinedo commented on the difficulty of finding a suitable unit and the time involved.

Agenda Item No. 7 – Staff Presentation on the Five Year and Annual Plan for HUD Funding (This matter was presented prior to Agenda Items 5 and 6.)

Marisela Crabbe and Darlene Aikens conducted a presentation on the Agency Plan that includes a Five Year Plan for 2004-2008 and an Annual Plan for 2004-2005. These documents are required to receive federal funds, and define and update the Housing Authority's goals and objectives. Input received during the public comment period that extended from February 4 to March 19, 2004, and that are approved by the Board of Commissioners, will be incorporated into the final documents. The Agency Plan will be presented to the Board of Commissioners on April 6, 2004. The HUD deadline is April 17, 2004.

The Annual Plan includes implementation of a new Lock Box Rent Payment System for public housing residents. Marcie Miranda and Carlos Perez distributed information on the system and discussed the process. Commissioner Porter suggested establishing a way to resolve disputes to address late payments and other problems. Commissioner Nguyen also expressed concerns about handling late payments. Commissioner Gabriel suggested that staff negotiate with the bank to have the service fee extend for more than one year.

Discussion of the Agency Plan also included: identification cards for housing applicants; community service requirements; home-based child care businesses on public housing sites; a Community Development Block Grant Program Float Loan for modernization projects and resident services; and other program updates.

Regular Agenda

On Motion by Commissioner Dauk, seconded by Commissioner Porter and unanimously carried, the following was approved by the Housing Commission:

**APPROVE THE AGENCY PLAN FOR THE HOUSING AUTHORITY OF THE COUNTY
OF LOS ANGELES (ALL DISTRICTS)
AGENDA ITEM NO. 7**

1. Recommend that the Board of Commissioners approve the attached Agency Plan which consists of a Five Year Plan for Fiscal Years 2004-2008 and an Annual Plan for Fiscal Year 2004-2005, as required by the U.S. Department of Housing and Urban Development (HUD) to update the Housing Authority's program goals, major policies and financial resources, including the Capital Fund Annual Statement and Five-Year Action Plan, the Admissions and Continued Occupancy Policy for the Conventional Public Housing Program, and the Section 8 Tenant-Based Program Administrative Plan.
2. Recommend that the Board of Commissioners adopt and instruct the Chairman to sign the attached Resolution approving the Agency Plan for submission to HUD, and authorizing the Executive Director of the Housing Authority to take all actions required for implementation of the Agency Plan.

3. Recommend that the Board of Commissioners authorize the Executive Director to execute all documents required to receive from HUD a total of \$5,768,891 in Capital Fund Program funds for resident programs, operating costs, and the rehabilitation of 1,337 housing units at six Conventional Public Housing Program developments throughout Los Angeles County, as described in the Agency Plan.
4. Recommend that the Board of Commissioners authorize the Executive Director to incorporate into the Agency Plan all public comments received and approved for inclusion by the Board; and authorize the Executive Director to submit the Agency Plan to HUD by April 17, 2004.

Agenda Item No. 8 Housing Commissioner Comments and Recommendations for Future Agenda Items

Commissioner Porter requested that a Procurement Workshop be conducted at a future meeting of the Housing Commission.

The Fiscal Year 2004-2005 Budget of the Housing Authority will be on the April agenda of the Housing Commission. It was requested that staff provide a presentation at that meeting, instead of conducting a separate budget sub-committee review, as in the past.

Staff will conduct a presentation on the Service Learning Center program at a future meeting of the Housing Commission.

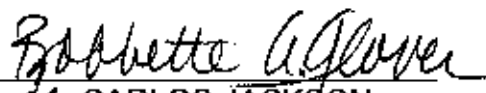
The Housing Commission will consider changing the date of the May regular meeting, due to the 2004 Commissioners' Leadership Conference to be held on the same date.

Agenda Item No. 9. Public Comments

No members of the public were in attendance.

The next scheduled meeting of the Housing Commission will be held at the Foothill Villa housing development located at 2423 Foothill Boulevard, La Crescenta, CA 91214 on Wednesday, April 28, 2004 at Noon.


On Motion by Commissioner Porter, the Regular Meeting of March 24, 2004, was adjourned at 1:50 p.m.


for CARLOS JACKSON
Secretary - Treasurer

FOR YOUR INFORMATION ONLY

April 21, 2004

TO: Housing Commissioners

FROM: Bobbette A. Glover 
Assistant Executive Director

SUBJECT: VOLUNTEER OF THE YEAR 2004 AWARDS

On April 19th at a luncheon at the Dorothy Chandler Pavilion, the Board of Supervisors recognized over 70 volunteers who provide services to County departments.

The Housing Authority submitted the names of two nominees for the County's 2004 Volunteer Awards. One youth, Azareel Campos, from the Nueva Maravilla housing development was honored for assisting senior citizens attending programs at the Nueva Maravilla Family Resource Center.

Reggie Snelson, an adult resident at Harbor Hills, was honored for his assistance at the local food bank, as well as for his help to youth and seniors at both Harbor Hills and Lomita Manor.

The awards were made in observance of "National Volunteer Week" throughout the County of Los Angeles. I am attaching for your information a statement on each nominee.

BG:tjm:volunteer awards 04

Attachments

Youth Volunteers of the Year 2004

Azareel Campos

Azareel, a 17 year old resident at the Nueva Maravilla Housing Development, has participated in the Nueva Maravilla Youth Council for three years and served on the Youth Council committee for the past two years. Volunteering an average of 10 to 15 hours per month, Azareel assists in planning events, fund-raisers, community meetings and recruitment for programs and events. As a committee member, Azareel developed an "earn point system" where youths earn points through volunteer service which would allow them to participate in recreational trips sponsored by the Family Resource Center.

A senior at Garfield High School, Azareel plans to attend Pasadena Community College and transfer to a university. His goal is to start his own business, establish it in his community and help other youth overcome peer pressure, gangs and other negative influences. He says, "I like volunteering . . . because it makes me feel useful and that I am actually contributing to something positive and bringing change to the community."

Reggie Snelson

Reggie has donated more than 32,760 hours over 18 years at the Harbor Hills and Lomita Manor Senior Development. When he finishes making copies and delivering flyers for the management staff, Reggie assists at the community center to set up for scheduled activities. While he is out in the community he notes, then reports graffiti, non-working lighting, and broken windows to the maintenance staff. Reggie assists seniors with furniture moving, cleaning and organizing their units. He states, "There is no greater joy than helping people."

Reggie was homeless for most of 2003, and that did not affect his cheery disposition or dedication to his volunteer activities. His additional and main responsibility in 2003 was to order food bank items for 300 family units and surrounding community. Reggie says, "I enjoy helping people and making a positive difference in my community." Just recently with the help of the Housing Authority, Mr. Snelson now lives at Harbor Hills, the community he loves.

FOR YOUR INFORMATION ONLY

April 21, 2004

TO: Housing Commissioners

FROM: Rebecca L. Craig, Director
Assisted Housing Division

SUBJECT: **THE FAMILY SELF-SUFFICIENCY (FSS) PROGRAM**

FSS Program Update

The main goal of the FSS staff during the month of March was to promote job opportunities to participants. FSS staff held three participant workshops on March 3, March 10, and March 17, 2004. Those in attendance had the opportunity to meet with their case managers and discuss their FSS goals. They also received job listings and credit repair booklets as well as information on home ownership and child care programs. A total of twenty-seven participants attended the workshops.

On Wednesday, March 17, 2004, FSS participated in the *Partner's for Progress Resource Fair*. FSS staff distributed written material on local community resources. FSS staff also answered questions related to the Section 8 Housing Choice Voucher and FSS Programs. The event was held at the Southeast Area Social Services Funding Authority (SASSFA) business facility located at 9825 Painter Avenue, in the City of Whittier.

FSS staff is working with the Partner's for Progress Job Developer's Committee to recruit employers. The *Partner's for Progress Community Job Fair* will be Thursday, at the Community Resource Center's (CRC) office at 10750 Laurel Avenue, in the City of Whittier on May 20, 2004, from 10:00 am to 2:00 pm.

Graduations

This month, one family graduated from FSS. The total number of FSS graduates to date is 114.

If you have any questions, please call me at (562) 347-4880.

RLC:MF:CL:dt
April2004commissioner

Community Development Commission

April 21, 2004

FOR YOUR INFORMATION ONLY

TO: Housing Commissioners
FROM: Bobbette Glover, Assistant Executive Director

SUBJECT: RESULTS OF LEGISLATIVE ADVOCACY IN WASHINGTON D.C.

This is to advise you on the results of the meetings our staff and your Chair, Treneatra Farmer, attended while in Washington D.C. during March 14-17, 2004.

As you know, they attended the 2004 Legislative Conference sponsored by the National Association of Housing and Redevelopment Officials (NAHRO). Day two of the conference allows time for the attendees to meet with their elected officials, or their staff, to discuss legislative issues.

The CDC/HACoLA was able to secure meetings with staff people from the following offices: Representative Gary Miller (District 42); Representative Grace F. Napolitano (District 38); Representative Juanita Millender-McDonald (District 37); Representative Lucille Roybal-Allard (District 34); Senator Dianne Feinstein; Representative Howard "Buck" McKeon (District 25); Senator Barbara Boxer; Representative Hilda Solis (District 32); and Representative David Dreier (District 26).

We used these opportunities to discuss current issues impacting our programs, especially issues related to funding and proposed changes to the Section 8 program. Representative Juanita Millender-McDonald and Senator Dianne Feinstein both agreed to circulate letters amongst their colleagues expressing their concerns with the administration's proposed Flexible Voucher Program. We are currently working with their offices on these efforts.

We also presented information on our Service-Learning program and sought their support of funding through a congressional earmark request, which will be used to support the continuation, expansion and evaluation of the program. Several offices expressed interest in pursuing funding for this program and we are currently working with them on this request.

Attached, for your information, are copies of the handouts provided to officials' offices during our visits. Should you require additional information on any of the topics mentioned, or would like more details on our meetings with the individual offices, please feel free to contact, Tricia Tasto, of my staff, at (323) 890-7182.

BG/TT:ds
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Attachments

SERVICE-LEARNING INITIATIVE

"Providing Students and Seniors with Tools for Empowerment/Learning"

NEED

\$250,000 in the Department of Education's Fund for the Improvement of Postsecondary Education (FIPSE) account to coordinate, evaluate, and expand the Service-Learning program. The Los Angeles County Housing Authority (HACoLA) Service-Learning program serves a dual role of giving college students the opportunity to conduct community service at public housing sites and earn academic credit in their field of study while public housing residents receive educational assistance, access to community resources, and cultural activities.

Non-federal sources committed to the Service Learning program total \$707,000.

BACKGROUND:

In September 2002, HACoLA formed a partnership with California State University Long Beach to develop a Service-Learning program. Under the program, energetic college students enroll in classes with a service-learning component, which allows them to devote 25 to 35 hours per quarter or semester assisting public housing residents with homework, job training, computer literacy, translation services, art and cultural appreciation, and senior life issues. Since its inception, the Service-Learning program has collaborated with eight additional colleges and universities to expand services to all of HACoLA's public housing developments. The program has been recognized locally, statewide, and nationally as a model for other community service programs. Moreover, no other Housing Authority has made a systematic effort to work with community-based organizations and universities to facilitate grants for its partners to provide services to public housing residents. HACoLA is the only government agency in the Los Angeles area that colleges and universities have partnered with on the Service-Learning program.

The HACoLA Service-Learning program has grown tremendously over the last year and a half and there is a need for increased coordination, evaluation and expansion of the program. As a result, HACoLA and UCLA have embarked on a partnership to coordinate service learning activities across five regions in Los Angeles County, evaluate the program by measuring its impact on housing residents, and organize the expansion of the program to other County Housing Authority Programs and County departments.

UCLA, in partnership with HACoLA, seeks \$250,000 to: 1) hire Service-Learning Facilitators to coordinate the service-learning program, 2) develop an evaluation method to measure the impact the Service-Learning program has on the residents of the County's public housing developments, and 3) organize the expansion of the program to serve participants of other HACoLA programs and other Los Angeles County departments.

Service learning target sites include: Carmelitos Housing Development in North Long Beach; Elderly and family sites in Valencia, Quartz Hill and Los Angeles; Nueva Maravilla Housing Development in East Los Angeles; and Elderly housing sites in La Crescenta.



FEDERAL PRIORITIES FOR FISCAL YEAR 2005

Appropriations

➤ Section 8 Program

- Provide renewal funding to fully support authorized Section 8 units. The County currently serves 20,171 families through Section 8.
- Oppose reductions in administrative fees to PHAs, which are essential to maintaining services and programs to low-income families.
- Oppose restrictions on use of Section 8 administrative fees and reserves.

➤ Public Housing Program

- \$3.5 billion for the Capital Fund, and \$55 million in separate funding for the Resident Opportunities and Self-Sufficiency (ROSS) program.
- \$3.8 billion for the Operating Fund.
- \$310 million for crime prevention and intervention programs. Since 1990 through the inception of the Public Housing Drug Elimination Program, the Housing Authority has experienced a 67% reduction in criminal activity.

➤ CDBG Program

- \$5.05 Billion for the CDBG formula, which would accommodate the 80 new entitlement communities that were added in FY 2004.

➤ HOME Program

- \$2.25 Billion for HOME.

➤ Shelter Plus Program

- Fully fund Shelter Plus Care renewals and as part of the Housing Certificate Fund.

Authorization

➤ Block-Granting of Section 8 Program

- Oppose Administration's Flexible Housing Voucher program provisions which would:



- Fundamentally alter Section 8 from “unit-based” funding using actual costs per household, to “dollar-based” funding, providing a set amount to local housing agencies regardless of actual program costs.
- Result in a 43% reduction in administrative fees to Los Angeles County, which are used to administer the Section 8 program.

➤ Public Housing Operating Cost Study

- Oppose adoption of the Public Housing Operating Cost Study which would result in PHAs such as HACoLA receiving less funding to support program operations.

➤ CDBG Entitlement Formula

- Oppose legislation that would alter the current CDBG entitlement formula, resulting in decreased funding or negative impact to Los Angeles County.

➤ Homeownership

- Support the Housing Bond and Credit Modernization and Fairness Act of 2003, H.R. 284 and S. 595, which will provide for thousands of additional lower-income families to receive Mortgage Revenue Bonds, allowing them to discount mortgages to purchase homes.

➤ Affordable Housing Production

- Support establishment of a Housing Production/Preservation program tied to the HOME program.

➤ HOME Program

- If a tenant in a HOME-assisted property also receives Section 8 tenant-based assistance, allow the owner to receive the Section 8 voucher rent rather than the HOME rent. This will help to make Section 8 assistance more attractive to property owners, while the unit remains affordable to lower-income families.



➤ Economic Development Administration Reauthorization

- Support reauthorization of Economic Development Administration programs, which would provide local officials with increased flexibility over the use of grant and revolving loan funds.

Regulatory

➤ Section 8 Program

- Support administrative changes to Section 8 program which reduce costs and administrative burdens and improve the delivery of services to participants and landlords.



HOUSING CRISIS IN LOS ANGELES COUNTY

Background

The availability of safe and affordable rental housing for American families continues to decline across the country. The Section 8 Housing Choice Voucher (Section 8) program, the most effective housing assistance program, assists nearly two million low-income families nationwide. Currently, Los Angeles County provides 20,171 families with safe, affordable housing through the Section 8 program.

The County, together with counties, cities and housing authorities across the nation, are very concerned with the Administration's proposed FY 2005 changes to the Section 8 program, which will drastically reduce housing assistance services to needy families. Thousands of families stand to lose their housing vouchers.

The Administration's Proposal

The Administration's FY 2005 proposal would:

- **Convert the Section 8 Housing Choice Voucher program to the "Flexible Voucher Program" (FVP).** *The FVP is a block grant program. Section 8 assistance is based on housing costs. Block grant programs are not based on cost. Changing the Section 8 program to a block grant will seriously erode housing assistance for low-income families because as housing costs go up, low-income families will be forced out of housing. FVP increases the affordable housing crisis that already exists in Los Angeles County.*
- **Fundamentally alter Section 8 from "unit-based" funding using actual costs per household, to "dollar-based" funding, providing a set amount to local housing agencies (LHAs) regardless of actual program costs.** *The FVP proposes to grant to the County a set dollar amount and require the County to continue to provide assistance to our 20,171 families. However, housing costs go up, and owners increase rents, but under the existing Section 8 program, funds are provided to the County from HUD for the increases to ensure that the low-income families can continue to reside in their housing units. Under FVP, the County will not be provided any additional funds to cover rising housing costs, which means that the County will have to serve less families each year as housing costs continue to rise. This can only be accomplished by taking away existing families' housing assistance payments.*
- **Result in a 43% reduction in administrative fees to Los Angeles County, which are used to administer the Section 8 program.** *The 43% represents a reduction in the amount of earned administrative fees that would be paid to the County to administer the program. The earned fees are used to pay staff who administer the program. This would translate into large cut-backs/layoffs in staffing. The County would not be able to properly administer the program on a budget of 57% of our existing administrative fee. The County would be required to serve the same number of families - 20,171, but with 43% less in earned fees to do so.*

We need your support:

- **Support** proposals to fully fund and renew all Section 8 vouchers.
- **Oppose** reductions in administration fees to LHAs and restore their structure and flexibility.
- **Oppose** block grant efforts such as the Flexible Voucher Program.

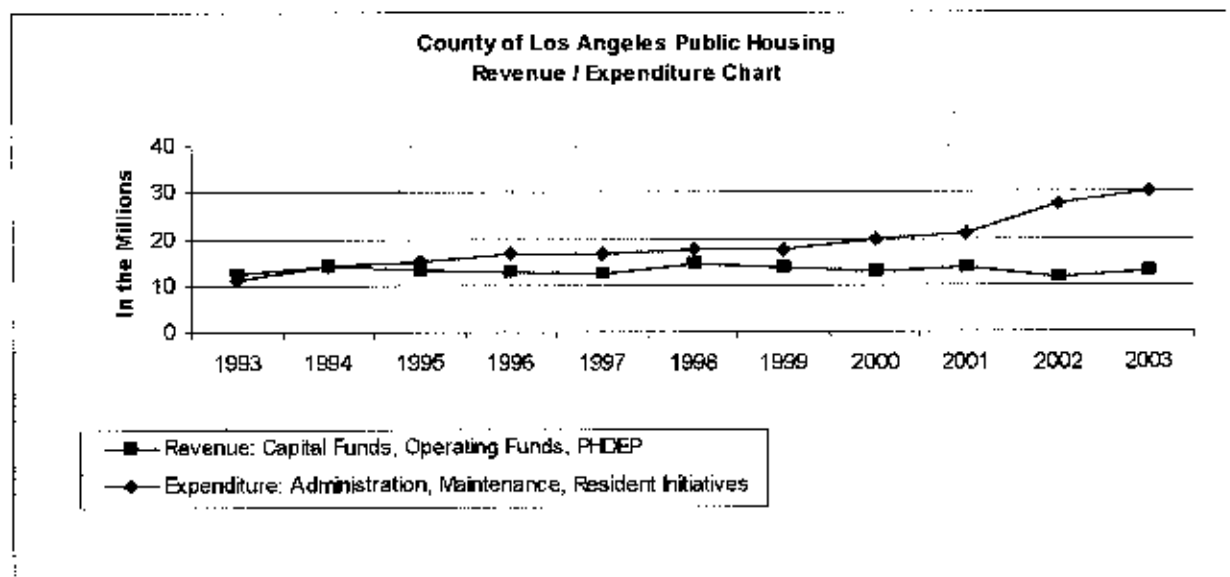
**Please join with us to protect safe, affordable housing
options for needy American families!**

HOUSING AUTHORITY OF THE COUNTY OF LOS ANGELES PUBLIC HOUSING PROGRAM

Through its public housing program, the Housing Authority of the County of Los Angeles provides 2,987 units of housing for 6,477 low-income families, of whom 1,338 are elderly. Our ongoing commitment to property maintenance and modernization, strict lease enforcement, crime prevention and intervention and resident services enables us to build better lives and better neighborhoods for public housing residents.

A Decade of Flat Funding: Public Housing Operating Funds and Capital Funds

Over the last ten years, funding has remained flat for the Housing Authority's operations, extraordinary maintenance and capital items. These funds are the only source available to the Housing Authority to repair, maintain, and modernize our properties. As evidenced below, these conditions are resulting in an ever-increasing funding gap for the Housing Authority:

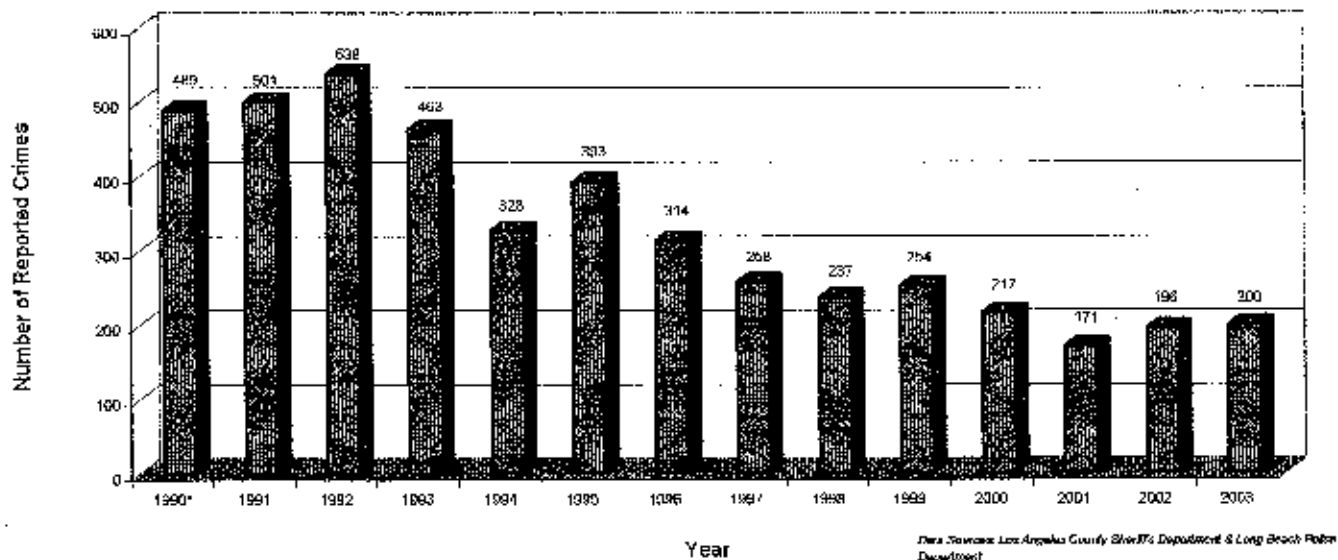


Considering that the average amount of monthly rent that families can afford is \$242, rental revenue is only a fraction of the funding necessary to keeping units functioning. The Housing Authority can no longer absorb any further cuts to the Operating Fund and the Capital Fund without threatening the health and safety of public housing residents.

Loss of Funds to Fight Crime

Furthermore, the continued lack of funding for the Public Housing Drug Elimination Program (PHDEP) reverses the progress that has been achieved towards reducing criminal activity in our communities. With the inception of PHDEP in 1990, the Housing Authority, through its prevention and intervention programs, experienced a 87% reduction in criminal activity (see below).

Total Reported Personal, Property and Drug Crime at the Nueva Maravilla, Harbor Hills & Cameliitos Housing Developments (1990 - 2003)



The Administration's FY 2005 budget proposal which continues the trend of under-funding public housing programs, will jeopardize our ability to provide affordable housing opportunities for Los Angeles County's most vulnerable populations: the poor and the elderly. For example, of the 57,489 individuals on the public housing waiting list, approximately 96% are considered extremely low-income, which translates into an annual income of \$17,850 for a family of four and \$12,500 for a senior applicant. Given the current shortage of affordable housing in Los Angeles County, public housing is a vital resource for these families who could not otherwise find housing in the private rental market.

Public housing residents should not have to bear the brunt of the Administration's proposed cuts. Furthermore, we cannot support a budget proposal that masks deep funding cuts behind special set-asides.

A Budget That Builds Better Lives and Better Neighborhoods

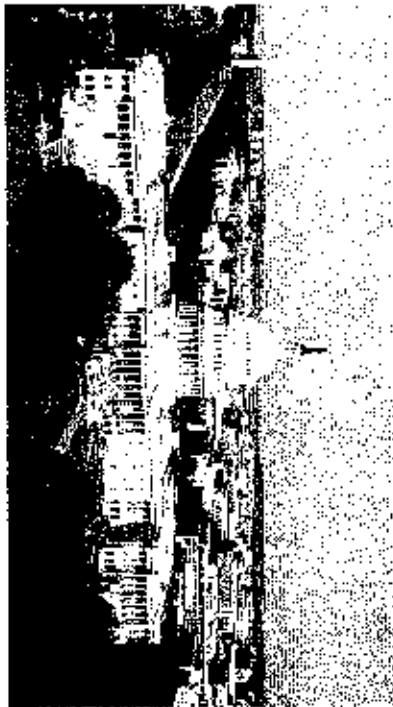
To ensure the viability of public housing for the future, we support the following funding levels:

- Operating Fund: \$3.8 billion
- Capital Fund: \$3.5 billion
- Resident Opportunity and Self Sufficiency (ROSS): \$55 million
- Safety and Security: \$310 million

These funding levels are critical to ensuring the success of the public housing program. Funds for Safety and Security should be funded separately and distributed through a competitive grant process.

The public housing budget is not the appropriate forum for the introduction of new initiatives. Proposals such as the Voluntary Graduation Bonus and the Freedom to House demonstration program should be introduced through the Proposed Rulemaking process in order to provide housing authorities an opportunity to engage in participatory decision-making with HUD.

CALIFORNIA HOUSING AUTHORITIES ASSOCIATION LEGISLATIVE AGENDA



Prepared by
California Housing Authorities Association
March 16, 2004

100 North State Street, Suite 210
San Francisco, CA 94104

415/441-4128
Fax: 415/441-2406

Mail: ccha@calhousing.org
Web Site: www.calhousing.org

The California Housing Authorities Association

The California Housing Authorities Association (CHAA) was founded in 1991 by eight of California's Central Valley Housing Authorities. Today, 28 California housing authorities belong to CHAA, ranging in size from the Housing Authority of the City of Los Angeles (with over 58,000 units) to the Plumas County Community Development Commission (449 units). These Housing Authorities share the common goal of providing safe, decent, and affordable housing for their residents.

The Housing Authorities perform their mission by using a variety of federal, state, and local housing programs made available to them over the years since the passage of the first federal U.S. Housing Act of 1937. Mostly, however, the job is done through their own hard work, buttressed by the support of their local communities and countless hours of volunteer effort. California's Housing Authorities have proven over the years to be among the most innovative and creative public agencies in the country.

AGENCY NAME	CONTACT PERSON	Section 8		Total
		Units Allocated	Units Under Admin	Units
City of Berkeley Housing Authority	Mike Re, Executive Director	672	70	742
County of Butte Housing Authority	Fred Simon, Executive Director	1,826	815	2,641
City of Colton Housing Authority	Haroldo Lopez, Interim Exec. Dir.	546	303	849
County of Contra Costa Housing Authority	Robert M. Seaton, Executive Director	6,388	1,239	7,627
County of El Dorado	John J. Kunkle, Director	374	0	374
Department of General Services				
City of Eureka Housing Authority	Robert H. Kinnell, Executive Director	3	148	151
City of Glendale	Michael Blum, Executive Director	1,314	0	1,314
Community Development Department				
Inland Valley Housing Authority	Amber Buck, Executive Director	1,611	611	2,222
County of Kings Housing Authority	Patricia Kelly, Executive Director	686	58	744
City of Long Beach Housing Authority	Leannette J. Tucker, Deputy Executive Director	8,177	0	8,177
City of Los Angeles Housing Authority	Don Smith, Executive Director	50,964	7,001	57,965
County of Los Angeles	City of Los Angeles, Executive Director	20,117	2,401	22,518
Community Development Commission				
City of Modesto Housing Authority	Christine R. Rector, Executive Director	723	280	1,003
County of Merced Housing Authority	Jack Miller, Executive Director	2,109	487	2,596
County of Mendocino Housing Authority	Stephanie Baughman, Executive Director	7,705	365	8,070
County of Monterey Housing Authority	Ann Kuchuk, Executive Director	8,770	884	9,654
City of Napa Housing Authority	Alan Dwyer, Executive Director	1,215	0	1,215
County of Plumas Community Development	David Smith, Executive Director	236	114	350
City of Redding	David Moore, Executive Director	5,587	2,111	7,698
Housing & Public Works Agency				
County of San Bernardino Housing Authority	John C. McElroy, Executive Director	8,534	1,780	10,314
County of San Joaquin Housing Authority		4,817	1,072	5,889
City of San Luis Obispo Housing Authority	Barbara Nelson, Executive Director	1,825	77	1,902
County of Santa Clara Housing Authority	John Wilson, Executive Director	2,722	0	2,722
County of Stanislaus Housing Authority	Robt. Chiles, Executive Director	3,985	647	4,632
County of Sutter	John Thompson, Executive Director	400	503	903
County of Tulare Housing Authority	Tom Scheraga, Interim Director	2,924	314	3,238
County of Ventura Housing Authority	Douglas A. Taylor, Executive Director	2,632	385	3,017
County of Yuba Housing Authority	David Farnham, Executive Director	1,468	518	2,000
TOTALS		186,245	23,107	209,352

FY 2005 HUD Appropriations

CHDA members support the following levels of appropriations:

Recommended FY 2005 HUD Appropriation Levels	
Program	CHDA Recommended Funding Level
Section 8 Vouchers Renewable	\$13.6 billion
Administrative Fee	\$1.3 billion
Section 8 Family Self-Sufficiency Coordinators	\$40.0 million
Public Housing Operating Fund	\$3.8 billion
Public Housing Capital Fund	\$3.5 billion
HOPE VI Severely Distressed Public Housing	\$525 million
Safety and Security	\$310 million
Quality Housing Service Charge	\$55.0 million
Hedden Opportunity and Supportive Services (HOSS)	\$65.0 million

Housing Choice Vouchers

Funding Level

The Voucher program subsidizes the rent payment made by voucher holders to rent private apartments at rent levels set by HUD. Voucher holders pay up to 40% of their adjusted income for rent. Landlords must maintain the properties and agree to rent to lower income people. There are 302,423 tenant-based vouchers allocated in California. Nevertheless, there are more than one million families and sections of waiting lists statewide for either vouchers or public housing units. The wait in some high cost markets can be as long as 3 to 5 years. The program is funded on a yearly basis and must be renewed annually by Congress.

AU analysis of California Fair Market Rents (FMRs) by county found that the "working poor" (those earning California's \$6.75 minimum wage) could not afford the HUD two-bedroom FMR in any of the state's 58 counties (see Table 1). The high cost of housing markets inflates rents at the bottom of the scale and puts them out of reach for California's working poor. HUD sets the FMR at the 40th percentile of local market rents, a level which clearly is insufficient in California markets.

Furthermore, California low-income families working their way off welfare through the CAWORKS program lack the amount of the grant to be stipended by the two-bedroom FMR. Sections receiving Social Security Income (SSI) are similarly constrained with rents for studio apartments that consume all of their SSI monthly payment and more (see Table 2).

The Congress has long been committed to renewing every voucher to ensure that low-income voucher families and seniors do not lose their homes. CHDA calls on the Congress to continue this commitment in FY 2005 by appropriating \$13.6 billion to renew all tenant vouchers that will expire.

To encourage local housing authorities for their time and effort in administering the program, counseling prospective tenants, seeking out landlords to participate in the program and leasing them, bookkeeping and accounting, and performing annual tenant income verifications and annual inspections of apartments rented to voucher holders for code compliance, HUD pays local housing agencies an Administrative Fee. The fee is based on a formula set by HUD. CHDA supports \$1.3 billion for the Administrative Fee.

Flexible Voucher Proposal

CHDA opposes the Administration's proposed voucher "back grant" ("Flexible voucher proposal"). The proposal is underfunded by \$1.4 billion and will, therefore, increase the rent burden on low-income voucher renters and will force local housing authorities to reduce lower income residents with higher income applicants to offset the funding shortfall. This is counter to the program's mission of providing decent and affordable housing to extremely low-income families, those whose income does not exceed 30% of the area median income. Additionally, the proposal severely cuts the administrative fees required to successfully operate the program.

Regulatory Reform

CHDA asks the Congress to direct HUD to use its existing authority to promulgate regulations to reform the program's rent and income calculations, tenant income verification procedures, portability procedures, and HQS inspection procedures. This will reduce program costs and improve efficiencies.

Family Self Sufficiency

CHAA urges the Congress to continue the successful Family Self Sufficiency (FSS) program which enables voucher owners to gain education, job skills, and save toward a move up and out. CHAA believes the Congress should appropriate \$48 million for Family Self Sufficiency Coordination. Although the proposed HUD budget zeros out funding for the FSS program, it is an essential tool in the Administration's goal of increasing the number of families who no longer need Federal housing subsidies. CHAA strongly opposes the Administration's proposal to end the program. The FSS program has proven to be a low cost effective means of increasing the number of families no longer needing Federal housing subsidies.

California Public Housing

Public Housing Supply

There are 45,548 units of low rent public housing in California administered by 113 local housing authorities while there are nearly one million households in California with incomes below \$10,000 a year. The supply of public housing is therefore about 4.5% of the demand.

By law public housing residents do not pay more than 30% of their adjusted income for rent. There are more than one million households in California on voucher and public housing waiting lists. Some public housing waiting lists have been closed for three to five years while others only open periodically or have gone to a lottery system to choose residents. The Housing Authority of San Joaquin County has more than 11,000 households on its public housing waiting list while the San Diego Housing Commission has 12,000 and the Housing Authority of Fresno City and County has over 15,000. The two-bedroom waiting list of the Alameda County Housing Authority closed in August 1999, nearly five years ago.

Public Housing Operating Fund

The HUD Operating Fund pays local housing authorities the difference between collected rents and operating expenses. A formula authorized by Congress and implemented by HUD in consultation with local housing agencies determines the annual amount of subsidy. CHAA recommends \$3.8 billion be appropriated for this program in FY 2000.

Public Housing Capital Fund

The average age of California public housing is about 35 years old. As the formidable rental stock ages, it needs major capital repairs such as new roofs, boilers, windows, kitchen, and baths. The HUD Capital Fund provides monies to local housing agencies to pay for these major capital improvements. CHA recommends \$1.5 billion be appropriated for this program to fund both annually recurring expenses and to begin addressing the significant backlog of capital needs that has been increasing for several years due to flat-funding of the program.

Hope VI - Severely Distressed Public Housing

Severe public housing stock is in such poor condition in locations with concentrations of low-income people that it is no longer cost-effective to maintain it. The HUD Hope VI program funds the demolition of such severely distressed public housing and its replacement with mixed income communities of an increasing private sector in the process. The redeveloped properties will value and stability to the neighborhood and provide affordable rental in former residents. CHA recommends \$625 million for the Hope VI program which has allowed many California housing authorities to partner with their communities, both large and small, to successfully redevelop and revitalize older public housing developments and their surrounding neighborhoods.

Moving to Work

This innovative and successful demonstration program enables local housing authorities to experiment with the way they address their public housing and voucher programs at the local level. The goal is to help public housing residents gain education, job skills, and work so that they may move up and out. Authorized by the Omnibus Appropriations Act of 1996, there are currently 42 housing authorities participating in the program. The CHAs are exempted from public housing and tenant-based voucher rules and are permitted to combine operating, capital, and tenant-based assistance funds into a single up-to-quick funding source, as approved by HUD. CHA believes this program should be continued and expanded to 100 agencies in FY 05, with HUD sharing the costs of Moving to Work with other local housing agencies.

Table 1

Appendix 1: 2004-05 to 2010-11 (All India)									
State	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Andhra Pradesh	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38
Assam	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38
Bihar	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38
Chhattisgarh	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38
Goa	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38
Gujarat	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38
Haryana	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38
India	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38
Karnataka	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38
Kerala	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38
Madhya Pradesh	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38
Maharashtra	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38
Manipur	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38
Mizoram	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38
Nagaland	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38
Nararnia	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38
Odisha	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38
Punjab	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38
Rajasthan	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38
Sikkim	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38
Tamil Nadu	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38
Telangana	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38
Uttar Pradesh	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38
Uttarakhand	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38
West Bengal	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38

Table 2

Appendix 2: 2004-05 to 2010-11 (All India)									
State	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Andhra Pradesh	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38
Assam	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38
Bihar	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38
Chhattisgarh	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38
Goa	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38
Gujarat	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38
Haryana	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38
India	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38
Karnataka	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38
Kerala	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38
Madhya Pradesh	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38
Maharashtra	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38
Manipur	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38
Mizoram	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38
Nagaland	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38
Nararnia	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38
Odisha	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38
Punjab	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38
Rajasthan	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38
Sikkim	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38
Tamil Nadu	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38
Telangana	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38
Uttar Pradesh	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38
Uttarakhand	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38
West Bengal	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38

Southern California

HAEDA

Housing Plus Services Transforms Lives and Communities

The Southern California Housing Authority Executive Director's Association (HAEDA) is an association of 36 local housing agencies working together to meet Southern California's serious affordable housing needs. Southern California Housing Agencies provide affordable housing to 192,046 families, the elderly, and those with disabilities through Public Housing units and Section 8 Housing Choice Vouchers. Member agencies also administer Shelter-Plus-Care, HOPWA, home ownership, Family Self Sufficiency, and other service programs. Our membership is committed to creating successful partnerships with community-based non-profits, governmental agencies and the private sector in order to maximize the supply of affordable housing in Southern California.

Visit us at:
www.socalhaeda.org



Chanda,
Los Angeles City,
Section 8 Voucher Family
Self-Sufficiency Program: "It is my
hope and prayer that these programs
continue to assist other families to
become self-sufficient."



Rene,
Vander-Landry Section 8 Voucher
Family Self-Sufficiency Program:
"It is like taking the first step
and keeping it on the
path. With enough I can
accomplish just about anything."



Marian,
Redondo Beach, Section 8
Voucher Program:
With her Voucher
lifting her
financial
worries,
Ms.
Cuddeby
gives back
to her
community
as a Tenant
Commissioner
for the Redondo
Beach Housing
Authority, and by
volunteering at her church
and at the Redondo Beach
AIDS Hotline.

Public Housing - Action Needed:

□ Preserve Dedicated Public Housing

□ Support Linking Housing and Services to Promote Healthy Communities

Why this matters:

Public housing is increasingly important in addressing the housing crisis. Its self-sufficiency programs are raising residents' family incomes and employment levels, and raising the aspirations of young residents.

- More youth are completing high school and going on to college.
- Outstanding young residents have received scholarships to some of the nation's top universities, such as Harvard (HA Upland), and M.I.T (HA City of Los Angeles).

Public housing communities provide affordable housing and social services to very low-income working families, the elderly, and those with disabilities. Welfare-to-work studies show that local housing agencies' (LHAs) programs to move clients to self-sufficiency resulted in more and faster progress than other programs. The studies found that decent, affordable housing was a necessary stabilizing base for family progress.

Support an Effective Housing Operating Subsidy System and Funding Level

- Support FFY 2005 Operating Fund of \$4.11 billion excluding set-asides: This is needed to provide essential services and include \$310 million for Safety and Security to fulfill the promise of increased Operating subsidy to replace the separate funding lost when the Drug Elimination Program (PHDEP) was terminated. Funding constructive services for residents is essential to meet a wide range of national goals. The loss of PHDEP funds is forcing the Upland HA to end its homework program despite success in improving academic achievement.
- Support Responsible Reform of the Operating Subsidy Formula: The final Harvard Operating Cost Study report contains opportunities and challenges which must be assessed by practitioners. We appreciate Congress reminding HUD of its obligation to participate in negotiated rule making. Like the current PFF/PFS system, the Harvard Study does not include all costs involved in providing housing, and does not provide adequate recognition of variations.
 - Its technical jargon masks the full amount of the deep funding cuts that large cities such as Los Angeles and San Francisco would experience.
 - Federal budget constraints make it important to avoid past errors of "penny wise, but pound-foolish" cuts to essential maintenance and operating funds.

Support Public Housing Capital Funding to Preserve Essential Housing

- Support FFY 2005 Capital Fund of \$3.5 billion excluding set-asides: Shortfalls only lead to higher costs to people, communities, and the federal budget. We must preserve the supply of housing dedicated to those with the lowest incomes.
- Initiate legislation to maintain the nation's supply of dedicated housing units: Vouchers are of little use when housing supply is inadequate. While changing local population size, age, and needs may call for local flexibility, the nation's continuing housing needs call for a commitment to preserve affordable units so that families and communities keep this crucial building block for stability and health.

Section 8 Voucher - Action Needed:

❑ Support and Improve the Housing Choice Voucher Program

Why this matters:

An elderly client told the Long Beach Executive Director: "I just don't know what I would do without my Section 8 Voucher. I don't know how I could live." Typical of thousands in California, her \$750 monthly income is from Social Security and SSI. A modest one bedroom, unsubsidized unit rents for \$600 to \$900 a month. Rising rents, but flat to declining incomes, are strangling low-income families and raising voucher costs.

Fully fund and Renew all allocated Vouchers Restore the Administrative Fee's Structure

Every allocated Voucher is urgently needed. The earned revenue of Administrative Fees enables local housing agencies (LHAs) to meet operational and local housing needs, both of which continually change as markets and populations change.

Oppose Block Grant Efforts such as the FY 2005 Flexible Voucher Proposal

- Block granting the Voucher Program will erode numbers assisted and/or amounts of desperately needed rental assistance provided. Waitlist growth and income trends show the need for housing assistance is growing.
- Experience confirms that local delivery is essential for program success.
- Reasons for increased program costs and solutions to control program costs should be studied and industry input given before drastic reforms are made.
- Breaking the commitment to adequately fund all allocated Vouchers will reduce the number of households the program can assist, and erode owner faith in the program.

Support Program Integrity and Rent Simplification

While we are united that current rent rules are complex and costly to administer, we also believe changes should not penalize working families, and should preserve true housing affordability. Recognizing that the current complexity resulted from the accumulated efforts to meet diverse national needs, housing industry groups (NAHRO, PHADA, CLPHA) have been developing a united proposal to present to Congress. We ask you to support this effort to improve the Section 8 and Public Housing programs.

Seek Efficiencies to Better Meet Program Goals

The Voucher program is the nation's most popular housing program. Meeting the nation's housing needs entails some regulatory complexity, which increases costs. For example, an increase in funding needed for Voucher payments is an expected consequence of requiring that 75% of admissions be below 30% of Area Median Income (AMI). Unintended consequences of the same rule are increased administrative costs, and increased confusion for participants and owners. Long waitlists and housing searches make it difficult to track or explain changing eligibility for those whose unstable incomes fluctuate around 30% of AMI. We share Congress' commitment that housing programs make the most effective use of limited federal housing funds. We suggest expanding the planned study of Voucher costs to include cost-benefit analyses of its rules and regulations with the goal of retaining effectiveness while improving efficiency.

Support Programs to Provide Local Flexibility and Funding To Produce, Preserve, and Revitalize Affordable Housing

- Housing shortages are driving rents beyond the reach of even moderate incomes.
- The lack of housing affordable to lower incomes is even more severe.
- The resulting overcrowding and homelessness hurt families and communities.

Production and Preservation

□ Support New Funding for Housing Production and Preservation

Support funding and locally flexible programs to preserve and increase the supply of affordable housing linked with needed services. Because markets, costs, and conditions vary sharply across the nation, flexible programs that encourage coordinated approaches allow communities to best meet their citizen's needs. Meeting the ongoing need for affordable housing is essential to community health and growth.

To most effectively use limited funds, efforts should:

- Focus on the most crucial issues: supply, affordability, and diverse local needs.
- Preserve existing project-based units by providing funding to LHAs and nonprofits to purchase private properties that choose to opt out of Section 8.
- With thousands of units still at risk nationwide, intervention is needed.
- Allow LHAs to administer project-based contracts for units they own.
- Fund project-based construction, acquisition, or conversions.
- Specifically designate LIHAs as eligible or priority funding recipients to ensure that communities' lowest income households are served as long as there is a need.

HOPE VI

□ Fund HOPE VI to Continue Needed Public Housing Revitalization

Support continuing HOPE VI funding at \$625 million annually. HOPE VI is the only source of funding for comprehensive and creative improvement of public housing communities. It has led to improvements in surrounding neighborhoods, providing community and economic improvements for families and cities. While HOPE VI should be funded at \$625 million, its funding should not come at the expense of the Public Housing Capital or Operating Funds.

California housing agencies such as Los Angeles, Oakland, and San Francisco have used HOPE VI funds to leverage other funding and services to provide jobs for residents, and housing for their cities. HOPE VI projects provide jobs and purchases to boost the broader local and state economies. The HOPE VI community revitalization component results in job training and increased self-sufficiency for residents and spurs improvements to the surrounding neighborhoods.

"...decent housing as an indispensable building block of healthy neighborhoods, and thus shapes the quality of community life... the housing sector provides a major stimulus to the nation's economy, consistently generating more than one-fifth of gross domestic product... In short, housing matters... This is why the federal government has long sought to expand the country's housing supply."

- **Millennial Housing Commission** -

Success Stories

Lucy

Los Angeles County, CA

A single mother of five, without a high school diploma, Lucy felt trapped in dependency. **Transformation:** Lucy is now a homeowner in Fontana. With the housing security of the Voucher program, Lucy joined the Housing Authority of the County of Los Angeles Family Self-Sufficiency (FSS) Program in 1995. Over seven years, she more than achieved her goals of completing high school, having a job working with children, and becoming a U.S. citizen. She is now confidently independent of all welfare and housing assistance. "I'm thankful the County gave me the opportunity to graduate from this wonderful program, which is allowing me to succeed and accomplish some of my goals."



Mary Lou

Garden Grove, CA

A sudden death was also a financial crisis. Mary Lou's family became homeless. **Transformation:** Affordable housing and services led to a teaching career. "A drunk driver killed Jason's father. I was not working at the time due to a severe back injury." "I am thankful for being allowed to participate in the Rental Assistance Program. I have graduated from California State University, Fullerton and have completed my Multiple Subject Credential for elementary school teaching. I am working as a third grade teacher for the Compton Unified School District. This is a dream that would not have been possible without the support of Garden Grove's Housing Program and the many wonderful support personnel that made this a truly positive experience."



Ana

Garden Grove, CA

Family illness ended Ana's education in seventh grade. She had little hope for a future. **Transformation:** Ana is now a homeowner. With the security provided by a housing voucher, Ana took the next step of joining the Family Self-Sufficiency (FSS) program. She earned her BA degree in Human Services, began a successful career, and used the \$13,817 she saved in her FSS escrow account as a down payment. "Without your help, I would have never been able to accomplish my dream of buying my own home. My parents were not able to buy a home. Although my father was a very hard-working man, working in the fields was not enough to support our family. A few months after I started seventh grade, my mother got very sick, so I had to drop out of school."



Jenna
Oxnard, CA

"As a public housing tenant, the OHA helped me out tremendously providing me a part-time job in the public housing office as I completed my degree from UCSB. Upon graduation, I helped my family to "graduate" from the public housing program and purchase our first home. The fact that I was a public housing tenant gave me invaluable information, knowledge, and sensitivity, permitting me to become a successful Housing Specialist. Since graduation, I became a full-time Housing Specialist with the OHA a little over three years ago, purchased my own home apart from my parent's, and I am very fortunate to be able to give back to the same community from which I graduated."



Lives Transformed Through Local Housing Agency Programs

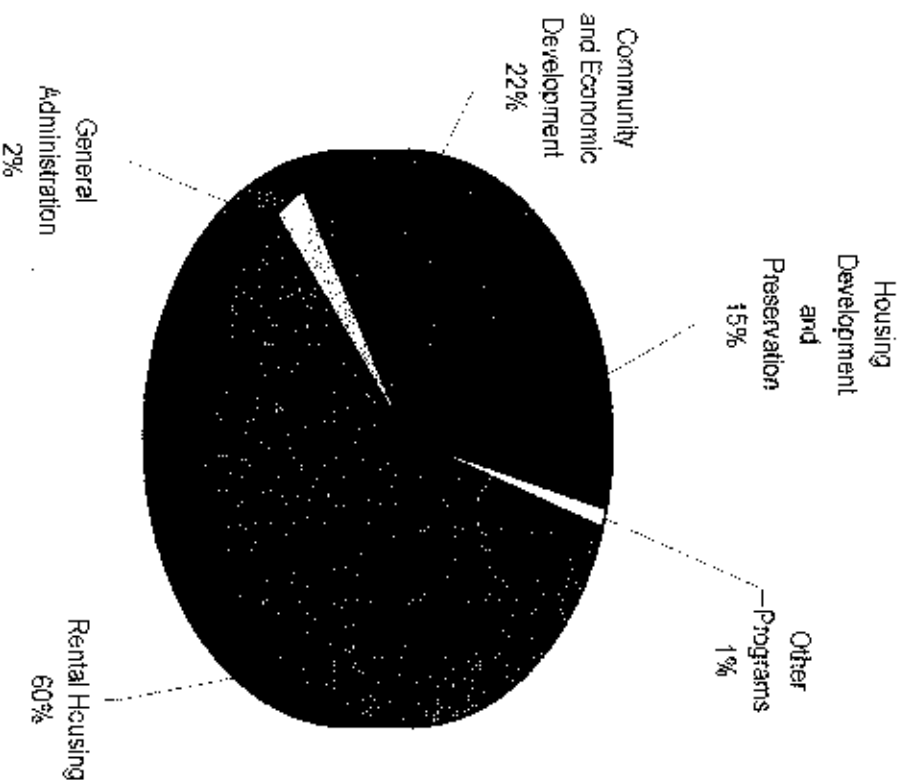
Southern California Housing Agencies

Housing Agency	Section 8 units leased	Section 8 units allocated	Public Housing units leased	Public Housing units
Anaheim	6,400	6,168	n/a	n/a
Baldwin Park	723	882	12	12
Burbank	1,030	1,014	n/a	n/a
Calexico*	222	244	300	302
California HCD*	32	47	n/a	n/a
Carlsbad	626	703	n/a	n/a
Compton	795	803	n/a	n/a
Culver City	296	384	n/a	n/a
Encinitas*	116	136	n/a	n/a
Garden Grove	2,330	2,334	n/a	n/a
Glendale	1,584	1,584	n/a	n/a
Hawaiian Gardens	98	132	n/a	n/a
Hawthorne	679	686	n/a	n/a
Imperial Valley	1,555	1,611	511	511
Inglewood	1,005	1,002	n/a	n/a
Kern County	3,115	3,215	886	905
Lakewood	214	215	n/a	n/a
Lawndale	210	212	n/a	n/a
Lomita	62	86	77	78
Long Beach	6,401	6,172	n/a	n/a
Los Angeles City	50,884	50,884	7,054	7,115
Los Angeles County	20,390	20,171	2,769	2,870
National City	1,025	1,044	n/a	n/a
Noodles	20	20	49	52
Norwalk	716	705	n/a	n/a
Oceanside	1,241	1,313	n/a	n/a
Orange County	9,619	9,619	n/a	n/a
Oxnard	1,659	1,659	780	780
Paramount	205	203	n/a	n/a
Pasadena	1,295	1,315	n/a	n/a
Paso Robles*	n/a	n/a	103	148
Pico Rivera	522	517	n/a	n/a
Pomona*	875	894	n/a	n/a
Port Hueneme*	262	279	84	90
Redondo Beach	573	593	n/a	n/a
Riverside County	7,882	8,081	456	478
San Bernardino County*	8,267	8,304	7,622	1,726
San Buenaventura*	1,180	1,189	696	710
San Diego County	10,104	10,396	117	121
San Diego Housing Comm	11,800	12,034	7,395	1,401
San Luis Obispo*	1,880	1,825	154	168
Santa Ana	2,536	2,558	n/a	n/a
Santa Barbara City*	1,644	1,955	479	492
Santa Barbara County*	3,202	3,396	529	536
Santa Fe Springs	217	224	n/a	n/a
Santa Monica	1,092	1,092	n/a	n/a
Santa Paula*	550	577	n/a	n/a
South Gate	627	654	n/a	n/a
Torrance*	590	690	n/a	n/a
Upland	624	624	97	97
Ventura County	2,490	2,532	350	355
Wasco Apts.*	n/a	n/a	24	25
West Hollywood	103	97		
TOTAL	171,567	173,074	18,564	18,972

*Figures from the Public and Indian Housing Information Center (PIIC)

USES OF BUDGETED FUNDS BY MAJOR PROGRAM ACTIVITY

Fiscal Year 2002-2003 Budget
\$324,835,100



COMMUNITY AND ECONOMIC DEVELOPMENT

Community Development

Administered annual \$38 million Entitlement Grant for Unincorporated areas and 48 participating cities

Economic Development/Redevelopment

4 Redevelopment Areas

Provided 81 Community Business Redevelopment Grants to Businesses
22 Businesses helped by the Commercial and Industrial Lending Programs

SUBSIDIZED HOUSING

Public Housing

Managed 3,663 units of conventional and non-conventional public housing
71 housing sites
Over 7,600 residents

Section 8

Administered over 20,000 Vouchers
125,000 on waiting list
Administered Sec 8 program for 6 cities

HOUSING DEVELOPMENT AND PRESERVATION

HOME Funds

Annual \$13 million Entitlement Grant
Developed 325 rental/homeownership units
Funded 48 deferred payment loans for first-time homebuyers
Rehabilitated 241 single/multi-family units

City of Industry Funds--Redistributed Tax-Increment Housing Funds
\$19 million in City of Industry Funds used to develop 590 multi-family units and 33 single-family units

CDBG Funds

Rehabilitated 1,697 single/multi-family units

Mortgage Credit Certificate Program

Assisted 114 first-time homebuyers

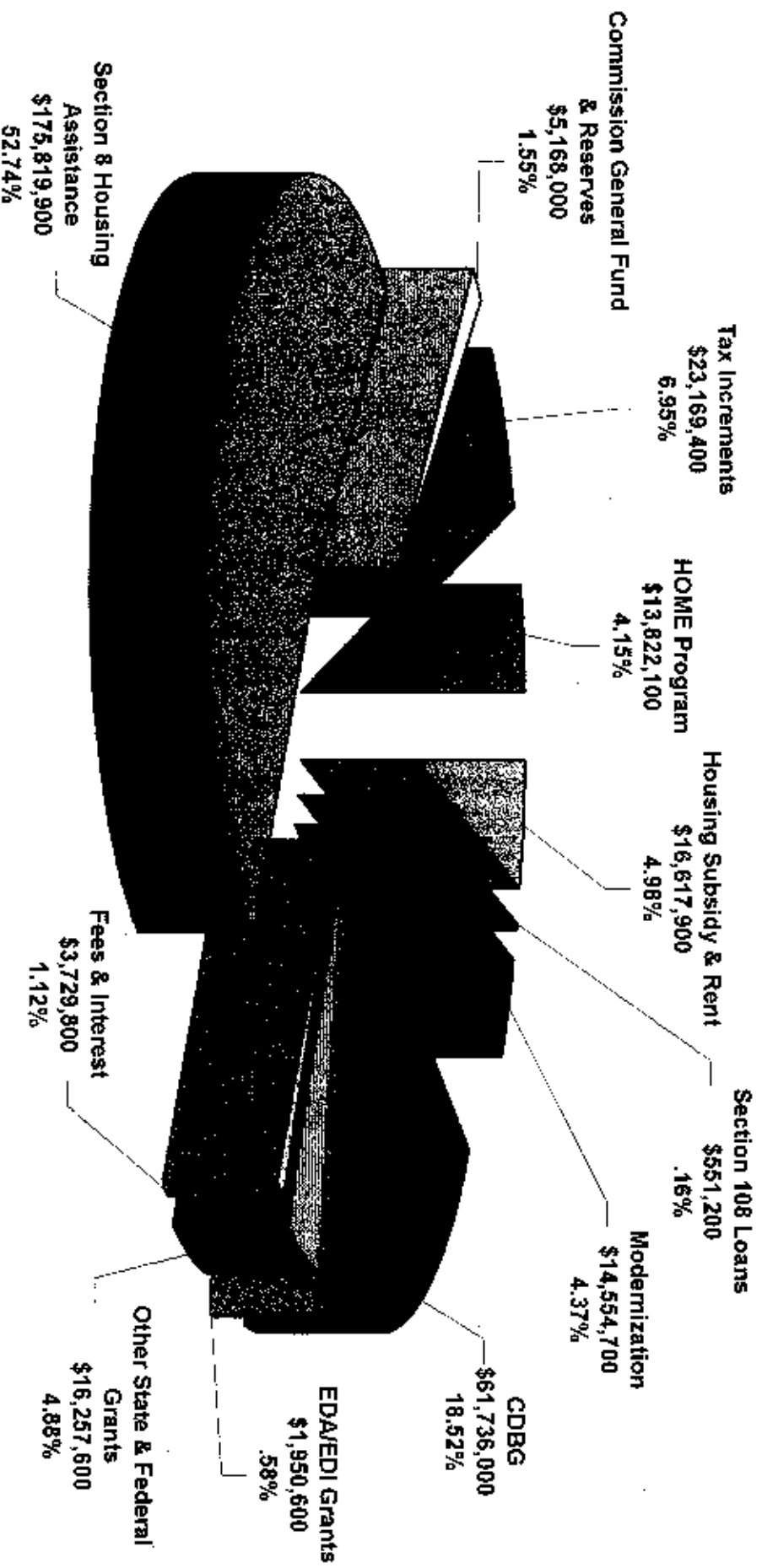
Mortgage Revenue Bonds

Issued 49 loans totaling over \$8 million in mortgages

OTHER PROGRAMS

Business Technology Center- currently has 20 tenants, one of which, IA Tech, assisted with software application work for the Mairs rover.
Telemedicine Program- Serviced a total of 755 patients at its three clinics
Traffic Violator School Monitoring- Conducted 900 classroom monitoring visits

Sources of Funds by Category Community Development Commission 2003-04 Fiscal Year - Total Sources \$333,377,200





Carlos Jackson
Executive Director

**HOUSING AUTHORITY
of the County of Los Angeles**

Administrative Office
2 Coral Circle • Monterey Park, CA 91755
323.890.7001 • www.lacdc.org

Gloria Molina
Yvonne Brathwaite Burke
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

April 28, 2004

Honorable Housing Commissioners
Housing Authority of the
County of Los Angeles
2 Coral Circle
Monterey Park, California 91755

Dear Commissioners:

**APPROVE FUNDING OF HOUSING AUTHORITY PROJECTS WITH FISCAL YEAR
2004-2005 COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS (ALL DISTRICTS)**

IT IS RECOMMENDED THAT YOUR COMMISSION:

1. Recommend that the Board of Commissioners authorize the Executive Director of the Housing Authority to accept from the County of Los Angeles an estimated \$2,179,782 in Fiscal Year 2004-2005 (July 1, 2004 to July 30, 2005) Community Development Block Grant (CDBG) funds, and to continue administration of \$360,560 in prior year CDBG funds, as identified in the Housing Authority portion of the Los Angeles Urban County Fiscal Year 2004-2005 One Year Action Plan (Action Plan) for the allocation of federal funds by the County of Los Angeles; and authorize the Executive Director to use these funds for capital improvements and services for public housing program residents.
2. Recommend that the Board of Commissioners authorize the Executive Director, following approval by the U.S. Department of Housing and Urban Development (HUD), to incorporate the \$2,179,782 in new CDBG funds into the approved Fiscal Year 2004-2005 budget of the Housing Authority.

3. Recommend that the Board of Commissioners authorize the Executive Director or designee to execute CDBG Reimbursable Contracts with the County of Los Angeles to provide funding for the activities described herein, using substantially the form of the attached, to be effective following approval as to form by County Counsel.
4. Recommend that the Board of Commissioners authorize the Executive Director or designee, to execute CDBG Reimbursable Contract Amendments with the County of Los Angeles, using substantially the form of the attached, to extend the contracts through June 30, 2005 for projects at the Woodcrest and Nueva Maravilla housing developments using \$360,560 in prior-year CDBG funds, to be effective following approval as to form by County Counsel, and execution by all parties.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The National Affordable Housing Act (NAHA) of 1990 (Cranston/Gonzalez Housing Act), as amended in 1992, requires that the County submit a five-year Consolidated Plan for the expenditure of CDBG, HOME Investment Partnerships (HOME), American Dream Downpayment Initiative Act (ADDI) funds, and Emergency Shelter Grant (ESG) funds. The Consolidated Plan includes an Action Plan that must be updated each year to define projects and programs to be carried out over a one-year period.

Following approval by the Board, the Action Plan must be submitted to HUD by June 1, 2004.

FISCAL IMPACT/FINANCING:

There is no impact on the County general fund. The Fiscal Year 2004-2005 Action Plan includes CDBG funds totaling an estimated \$56,752,466 comprised of new funds, prior year funds, and anticipated program income. These funds will be allocated to the five Supervisorial Districts, 49 participating cities, the Housing Authority and approximately 63 nonprofit entities to implement projects and programs. The Action Plan also includes Fiscal Year 2004-2005 HOME funds allocated for housing development, construction and rehabilitation; Fiscal Year 2003-2004 and Fiscal Year 2004-2005 ADDI funds for homebuyer assistance; and Fiscal Year 2004-2005 ESG funds for various homeless assistance programs.

The Action Plan includes ten new Housing Authority projects receiving Fiscal Year 2004-2005 CDBG funds to address housing and community development needs throughout Los Angeles County. The projects include: replacement of sprinkler heads, wiring and master controllers of the irrigation system at the Nueva Maravilla housing development, at a cost of \$500,000; rehabilitation of kitchens, bathrooms and heaters of individual units at the Villa Nueva housing development, at a cost of \$275,000; replacement of non-slip flooring surfaces at the Carmelitos senior housing development, at a cost of \$173,150; replacement of kitchen countertops for disabled units also at the Carmelitos housing development, at a cost of \$184,320; demolition and replacement of family unit storage sheds for the Harbor Hills housing development, at a cost of \$244,480; supportive services for public housing residents through Family Learning Centers located at the Carmelitos, Harbor Hills and Nueva Maravilla housing developments, at a cost of \$178,000; counseling and case management services for public housing residents provided through Family Resource Centers located at the Carmelitos, Harbor Hills, Maravilla and Sundance Vista housing developments, at a cost of \$330,000; refurbishing an existing childcare bungalow, at a cost of \$59,832, and recreational activities for public housing youth provided by the Sheriff's Department, at a cost of \$110,000 both at the Nueva Maravilla housing development; and childcare services at the Harbor Hills Childcare Center, at a cost of \$125,000.

The following on-going projects will continue with a total of \$360,560 in prior-year funds: replacement of doors for the Woodcrest housing facility, at a cost of \$90,080; and the replacement of deteriorated asphalt parking lots and fire lanes at the Nueva Maravilla housing development, at a cost of \$270,480. The existing contracts for these projects between the Community Development Commission and the Housing Authority, will be extended to June 30, 2005 in order to complete construction.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

On May 27, 2003, the Board approved the Fiscal Year 2003-2008 Consolidated Plan and the Fiscal Year 2003-2004 Action Plan. The current Action Plan ends on June 30, 2004, and a new Action Plan must be adopted by the Board to receive continued funding from HUD. The Fiscal Year 2004-2005 Action Plan includes a description of the activities to be undertaken during the year to address the objectives of the Consolidated Plan's five-year strategy.

Honorable Housing Commissioners

April 28, 2004

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All public noticing required under 24 Code of Federal Regulations Part 91, Section 91.105 of the NAHA for approval of the Action Plan will be satisfied prior to the presentation to the Board. A total of eight community meetings were held in September and October 2003. Comments received at these meetings have been incorporated into the Action Plan. An additional eight meetings are to be held in April and May 2004 to update the public regarding comments received earlier.

A notice of the 30-day public comment period and public hearing was published on April 23, 2004 in newspapers throughout the County, and copies of the draft Action Plan are available for public review at 28 libraries. The public comment period will conclude on May 25, 2004, the day of the public hearing, which will be convened by the Board for approval of the Action Plan.

Projects proposed in the Action Plan are being federally funded, and are not subject to the requirements of the Greater Avenues for Independence (GAIN) Program implemented by the County of Los Angeles. Instead, the Housing Authority will comply with Section 3 of the Housing and Community Development Act of 1968, as amended, which requires that employment and other economic opportunities generated by certain HUD assistance be directed to low- and very low-income persons, particularly to persons who are recipients of HUD housing assistance.

Descriptions and funding allocations of Housing Authority projects receiving Fiscal Year 2004-2005 funds, the standard CDBG Reimbursable Contract, and the standard CDBG Reimbursable Contract Amendment to be used for project completion, are provided as Attachments A, B and C, respectively.

ENVIRONMENTAL DOCUMENTATION

The Action Plan is exempt from the provisions of the National Environmental Policy Act (NEPA) pursuant to 24 Code of Federal Regulations Part 58, Section 58.34 (a)(1) because it is a planning document and does not involve activities that will alter existing environmental conditions. It is also exempt from the provisions of California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines 15061 (b)(3) because the Action Plan, as part of the Consolidated Plan, is covered by the general rule that CEQA only applies to projects that have the potential for causing a significant effect on the environment. However, each Housing Authority program within the Action Plan will be reviewed for environmental impact on a project-by-project basis before funding is released.

Honorable Housing Commissioners
April 28, 2004
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IMPACT ON CURRENT SERVICES AND PROJECTS:

The projects contained in the Action Plan, including the Housing Authority projects, will benefit low- and moderate-income residents throughout the County of Los Angeles.

Respectfully submitted,


for CARLOS JACKSON
Executive Director

CJ:RA/lh:Action Plan HC FY04-05

Attachments: 3

ATTACHMENT A

Housing Authority Projects

For Fiscal Year 2004-2005

This Attachment Includes New and Prior Year Funds

OPERATING AGENCY PROJECT TITLE	FY 03-04 FUNDING	FY 04-05 FUNDING REQUEST	FY 04-05 RECORD FUNDING	PROJECT DESCRIPTION COMMENTS
HOUSING MANAGEMENT - Nueva Maravilla Irrigation System Repair				This new project provides funding for the replacement of sprinkler heads throughout the housing site including new master controllers and new wiring.
600695	0	500,000 (New)	500,000 (New)	FY 2003-2004 Goals: - N/A: Not funded in 2003-2004
PRIORITY NEED CATEGORY - Housing	0 (T)	500,000 (T)	500,000 (T)	
STRATEGIC AREA - East Los Angeles				FY 2003-2004 Accomplishment: - N/A: Not funded in 2003-2004
INVESTMENT LEVEL - IV				FY 2004-2005 Goals: - Complete sprinkler repairs at one (1) facility.

OPERATING AGENCY PROJECT TITLE	FY 03-04 FUNDING	FY 04-05 FUNDING REQUEST	FY 04-05 RECORD FUNDING	PROJECT DESCRIPTION COMMENTS
HOUSING MANAGEMENT - Villa Nueva Interior Rehabilitation				This new project provides funding for the rehabilitation of individual units inclusive of kitchen and bathroom improvements and the replacement of heaters.
600694	0	275,000 (New)	275,000 (New)	FY 2003-2004 Goals: - N/A: Not funded in 2003-2004
PRIORITY NEED CATEGORY - Housing	0 (T)	275,000 (T)	275,000 (T)	FY 2003-2004 Accomplishment: - N/A: Not funded in 2003-2004
STRATEGIC AREA - East Los Angeles				FY 2004-2005 Goals: - Complete rehabilitation to 21 housing units.
INVESTMENT LEVEL - IV				

OPERATING AGENCY PROJECT TITLE	FY 03-04 FUNDING	FY 04-05 FUNDING REQUEST	FY 04-05 RECORD FUNDING	PROJECT DESCRIPTION COMMENTS
HOUSING MANAGEMENT - Woodcrest I and II Exterior Door Replacement				The existing exterior front and rear doors are wood frame and wood core, which no longer meet the Agency's standards for security and durability. This continuing project will demolish the existing doors of 19 units and replace them with new, pre-hung, solid core steel faced doors and steel door frames. The water heater closet doors in the garages are missing or deteriorated and must be replaced; the same specifications will be used. After the new exterior doors are installed the contractor will install new security screen doors at the front entries (80 doors total).
60062B	96,320	90,080 (CO)	90,080 (CO)	FY 2003-2004 Goals: - Renovations to 19 housing units.
PRIORITY NEED CATEGORY - Housing	96,320 (T)	90,080 (T)	90,080 (T)	
STRATEGIC AREA - Athens/West Athens/Westmont				FY 2003-2004 Accomplishments: - Continued renovations to 19 housing units.
INVESTMENT LEVEL - IV				FY 2004-2005 Goals: - Complete renovations to 19 housing units.

OPERATING AGENCY PROJECT TITLE	FY 03-04 FUNDING	FY 04-05 FUNDING REQUEST	FY 04-05 FUNDING RECORD	PROJECT DESCRIPTION COMMENTS
HOUSING MANAGEMENT - Carmelitos Sen or Hallway Flooring				This new project will replace the slippery flooring surfaces at all open breezeways and common area hallways (24 hallways, 2 buildings). Due to the open hallway and breezeway design of the building, the existing flooring is exposed to the elements, so the existing carpet in the semi-open hallways does not stay clean. The flooring in the exposed breezeways that is not covered is subject to weather, etc., and when wet, poses slip and fall hazards to the senior population. The new material will be rubber tile with a non-slip surface.
600628	0	173,150 (New)	173,150 (New)	
	0 (T)	173,150 (T)	173,150 (T)	
PRIORITY NEED CATEGORY - Housing				FY 2003-2004 Goals: - N/A. Project was not funded in FY2003-2004.
STRATEGIC AREA - Long Beach (location only-not strategy area)				FY 2003-2004 Accomplishments: - N/A. Project was not funded in FY2003-2004.
INVESTMENT LEVEL - N/A				FY 2004-2005 Goals: - Replace hallway flooring to serve 24 housing units.

OPERATING AGENCY PROJECT TITLE	FY 03-04 FUNDING	FY 04-05 FUNDING REQUEST	FY 04-05 RECORD FUNDING	PROJECT DESCRIPTION COMMENTS
HOUSING MANAGEMENT - Carmelitos Disabled Units Kitchen Countertops Replacement				This new project will replace kitchen countertops at 30 units occupied by disabled residents and seniors at the Carmelitos Family Housing Development. The existing damaged "Formica" (brand name for plastic laminate) countertops will be replaced with new countertops made of Dupont Corian or equivalent durable 10-year warranted material. The work will include remodeling existing counters as needed to conform to current accessibility codes as well as patching and painting.
600624	0	184,320 (New)	184,320 (New)	
PRIORITY NEED CATEGORY - Housing	0 (T)	184,320 (T)	184,320 (T)	FY 2003-2004 Goals: - N/A. Project was not funded in FY 2003-2004.
STRATEGIC AREA - Long Beach (location only-not a strategy area)				FY 2003-2004 Accomplishments: - N/A. Project was not funded in FY 2003-2004.
INVESTMENT LEVEL - N/A				FY 2004-2005 Goals: - Replace kitchen countertops at 30 housing units occupied by disabled residents and seniors.

OPERATING AGENCY PROJECT TITLE	FY 03/04 FUNDING	FY 04/05 FUNDING REQUEST	FY 04/05 FUNDING REQUEST	PROJECT DESCRIPTION COMMENTS
HOUSING MANAGEMENT - Harbor Hills Family Unit Storage Shed Replacement				This new project will consist of demolishing existing storage sheds and replacing them with new, custom-specified, prefabricated units (220 storage sheds, one for each family unit). The existing built detached storage sheds are deteriorated and pose a possible hazard if they were to collapse due to a significant seismic event in the near future.
600627	0	244,480 (New)	244,480 (New)	
	0 (T)	244,480 (T)	244,480 (T)	
PRIORITY NEED CATEGORY - Housing				FY 2003-2004 Goals: - N/A. Project was not funded in FY 2003-2004.
STRATEGIC AREA - Lomita (location only, not a strategy area)				FY 2003-2004 Accomplishments: - N/A. Project was not funded in FY 2003-2004.
INVESTMENT LEVEL - N/A				FY 2004-2005 Goals: - Replace storage sheds at 220 housing units.

OPERATING AGENCY PROJECT TITLE	FY 03-04 FUNDING	FY 04-05 FUNDING REQUEST	FY 04-05 FUNDING REQUEST	PROJECT DESCRIPTION COMMENTS
HOUSING MANAGEMENT - Family Learning Centers				This new project provides for supportive resident/tenant public services provided through Family Learning Centers. Services include such help as homework assistance, English as a Second Language, computer literacy, arts and crafts, and adult education (computer training). The services are provided through the learning centers located at the Carmelitos, Harbor Hills, and Nueva Maravilla housing developments.
600685	0	178,000 (New)	178,000 (New)	FY 2003-2004 Goals: Not funded for FY 2003-2004
PRIORITY NEED CATEGORY - Public Services	0 (T)	178,000 (T)	178,000 (T)	FY 2003-2004 Accomplishments: Not funded for FY 2003-2004
STRATEGIC AREA - Countywide				FY 2004-2005 Goals: Assist 350 clients
INVESTMENT LEVEL - N/A				

OPERATING AGENCY PROJECT TITLE	FY 03-04 FUNDING	FY 04-05 FUNDING REQUEST	FY 04-05 REC'D FUNDING	PROJECT DESCRIPTION COMMENTS
HOUSING MANAGEMENT - Family Resource Centers				This new project provides for supportive resident/tenant public services provided through the Family Resource Centers. Services include such help as family and individual counseling, academic and career counseling classes, parenting programs, leadership, senior services, conflict resolution, drug awareness, and truancy prevention. The services are provided through the learning centers located at the Carmelitos, Harbor Hills, and Nueva Maravilla and Sundance Vista Family Resource Centers.
600687	<u>0</u>	<u>330,000</u> (New)	<u>330,000</u> (New)	FY 2003-2004 Goals: Not funded for FY 2003-2004
PRIORITY NEED CATEGORY - Public Services	<u>0</u> (T)	<u>330,000</u> (T)	<u>330,000</u> (T)	FY 2003-2004 Accomplishments: Not funded for FY 2003-2004
STRATEGIC AREA - Countywide				FY 2004-2005 Goals: Assist 400 clients
INVESTMENT LEVEL - N/A				

OPERATING AGENCY PROJECT TITLE	FY 03-04 FUNDING	FY 04-05 FUNDING REQUEST	FY 04-05 RECORD FUNDING	PROJECT DESCRIPTION COMMENTS
HOUSING MANAGEMENT - Nueva Maravilla Parking Lot and Fire Lane Replacement				This continuing project will replace the deteriorated existing asphalt parking lots and fire lanes at the Nueva Maravilla housing development, outside of the community and administration buildings. Improvements will incorporate the installation of new concrete for the parking areas and fire lanes, which will address cracks, differing elevations, disabled parking layout violations and other concerns which pose tripping and usability hazards.
600622	274,680	270,480 (CO)	270,480 (CO)	FY 2003-2004 Goals: To improve one (1) facility.
PRIORITY NEED CATEGORY - Housing	274,680 (T)	270,480 (T)	270,480 (T)	FY 2003-2004 Accomplishments: Not completed in FY 2003-2004
STRATEGIC AREA - East Los Angeles				FY 2004-2005 Goals: Improve one (1) facility.
INVESTMENT LEVEL - IV				

OPERATING AGENCY PROJECT TITLE	FY 03-04 FUNDING	FY 04-05 FUNDING REQUEST	FY 04-05 REC'D FUNDING	PROJECT DESCRIPTION COMMENTS
HOUSING MANAGEMENT - Nueva Maravilla Childcare Bungalow Repair				This new project will repair and refurbish an existing childcare bungalow located at the Nueva Maravilla housing development. The planned improvements will include framing repairs, selected exterior patching, replacement of exterior sheeling and stucco, trim, wall insulation, painting and contingencies.
600623	0	59,832 (New)	59,832 (New)	FY 2003-2004 Goals: Not funded for FY 2003-2004
PRIORITY NEED CATEGORY - Youth Programs	0 (T)	59,832 (T)	59,832 (T)	FY 2003-2004 Accomplishments: Not funded for FY 2003-2004
STRATEGIC AREA - East Los Angeles				FY 2004-2005 Goals: Improve one (1) facility.
INVESTMENT LEVEL - IV				

OPERATING AGENCY PROJECT TITLE	FY-03-04 FUNDING	FY-04-05 FUNDING REQUEST	FY-04-05 RECOM FUNDING	PROJECT DESCRIPTION COMMENTS
HOUSING MANAGEMENT - Sheriff's Recreation Program for Nueva Maravilla				This new project provides for recreational activities for public housing youth. Sheriff Dept. staff provide organized group activities that include arts and crafts, field trips, music, drama, dance, physical fitness, leadership and community service, cultural enrichment, holiday events, sports programs as well as crime and drug intervention/ prevention activities.
600586	0	110,000 (New)	110,000 (New)	FY 2003-2004 Goals: Not funded for FY 2003-2004
PRIORITY NEED CATEGORY - Public Services	0 (T)	110,000 (T)	110,000 (T)	FY 2003-2004 Accomplishments: Not funded for FY 2003-2004
STRATEGIC AREA - Countywide				FY 2004-2005 Goals: Assist 200 clients
INVESTMENT LEVEL - N/A				

OPERATING AGENCY PROJECT TITLE	FY 03-04 FUNDING	FY 04-05 FUNDING REQUEST	FY 04-05 REC'D FUNDING	PROJECT DESCRIPTION COMMENTS
HOUSING MANAGEMENT - Harbor Hills Childcare				This new projects provides for childcare services to be provided through the Harbor Hills Childcare facility.
600700	0	125,000 (New)	125,000 (New)	FY 2003-2004 Goals: Not funded for FY 2003-2004
PRIORITY NEED CATEGORY - Public Services	0 (T)	125,000 (T)	125,000 (T)	FY 2003-2004 Accomplishments: Not funded for FY 2003-2004
STRATEGIC AREA - Countywide				FY 2004-2005 Goals: Assist 100 clients
INVESTMENT LEVEL - N/A				

ATTACHMENT B

**COUNTY OF LOS ANGELES
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
OTHER PUBLIC AGENCY
REIMBURSABLE CONTRACT**

PROJECT TITLE:

PROJECT NUMBER:

CONTRACT NUMBER:

THIS CONTRACT is made and entered into this 1st day of July, 2004, by and between the County of Los Angeles, hereinafter called the "County," acting by and through the Community Development Commission of the County of Los Angeles, and the _____, hereinafter called the "Operating Agency."

WITNESSETH THAT:

WHEREAS, the County has entered into a Contract with the United States of America, through its Department of Housing and Urban Development (HUD), to execute the County's Community Development Block Grant (CDBG) Program, which includes this project, under the Housing and Community Development Act of 1974, as amended, hereinafter called the "Act"; and

WHEREAS, Operating Agency desires to participate in said program and is qualified by reason of experience, preparation, organization, staffing and facilities to provide services.

NOW, THEREFORE, in consideration of the mutual covenants herein set forth and the mutual benefits to be derived therefrom, the parties agree as follows:

1. CONTRACT. This Contract consists of this document and attachments: Exhibit A, Project Description and Activity Budget.
2. CONTRACT ADMINISTRATION. The Executive Director of the Community Development Commission of the County of Los Angeles, (CDC) hereinafter called the "Executive Director", or designee, shall have full authority to act for County in the administration of this Contract consistent with the provisions contained herein.
3. SCOPE OF SERVICES. The Operating Agency is to perform all the services set forth in the Project Description, Exhibit A to this Contract, a copy of which is attached hereto and incorporated herein by this reference.
4. TIME OF PERFORMANCE. Said services of Operating Agency are to commence on the date first above written, and shall be completed not later than June 30, 2005.
5. COMPENSATION AND METHOD OF PAYMENT. Upon such performance

under this Contract, County shall reimburse Operating Agency an amount not to exceed _____ dollars (\$_____) which shall constitute full and complete reimbursement hereunder provided for the implementation of the project described in Exhibit A to this Contract. Said reimbursement will only be paid out of funds received from the federal government under the Act for the Fiscal Years indicated in Exhibit A, Activity Budget, or from program income, as described in 24 CFR 570 accumulated under said program, for allowable costs actually incurred for the express purposes specified. The parties understand and agree that such reimbursement, if any, shall be conditioned upon receipt of said funds by the County from the federal government or accumulation of program income from said program, and shall not be a charge on any other funds of the County. Funds shall be paid only after receipt of a monthly requisition form as specified and provided by the Community Development Commission (CDC) of the County of Los Angeles. Said invoice shall give the total of said cash expenses paid during the monthly reporting period and shall also itemize the same in detail conforming to the budget required by Section 6 of this Agreement. After timely receipt of each invoice, the CDC will draw a check in favor of the Operating Agency.

The Operating Agency shall have no claim against the County for payment of any money or reimbursement, of any kind whatsoever, for any service provided by Operating Agency after the expiration or other termination of this Contract. Should Operating Agency receive any such payment, it shall immediately notify the County and shall immediately repay all such funds to the County. Payment by the County for services rendered after expiration/termination of this Contract shall not constitute a waiver of the County's right to recover such payment from Operating Agency. This provision shall survive the expiration or other termination of this Contract.

6. BUDGET SECTION. No more than the amounts specified in the Budget, Exhibit A to this Contract, which is attached hereto and incorporated herein by this reference, may be spent for the separate cost categories specified in Exhibit A without written approval of the County.
7. COMPLIANCE WITH LAWS. All parties agree to be bound by applicable Federal, State, and local laws, ordinances regulations and directives as they pertain to the performance of this Contract. This Contract is subject to and incorporates the terms of the Act; 24 CFR, Part 570; U.S. Office of Management and Budget (OMB) Circulars A-110 and A-87; OMB Circular A-133 Compliance Supplement and the County Auditor-Controller Contract Accounting and Administration Handbook. The Catalog of Federal Domestic Assistance (CFDA) number assigned to the Community Development Block Grant Program is 14.218.

The Operating Agency shall comply with applicable uniform administrative requirements, as described in 24 CFR Part 570.502. The Operating Agency shall carry out each activity in compliance with all Federal laws and regulations described in Subpart K of the CDBG regulations, except that:

- (i) The Operating Agency does not assume the County environmental responsibilities described at 24 CFR Part 570.604; and

- (ii) The Operating Agency does not assume the County's responsibility for initiating the review process under Executive Order 12372.

8. PROGRAM EVALUATION AND REVIEW. Operating Agency shall make available for inspection during the term of this contract and for a period of three (5) years thereafter its performance, financial and all other records pertaining to performance of this Contract to authorized County personnel, and allow said County personnel to inspect and monitor its facilities and program operations, including the interview of Operating Agency staff and program participants, as required by the County. Operating Agency agrees to submit all data that are necessary to complete the Annual Grantee Performance Report and monitor program accountability and progress in accordance with HUD requirements in the format and at the time designated by the Executive Director or designee.
9. NONEXPENDABLE PROPERTY. Nonexpendable personal property means leased and purchased tangible personal property having a useful life of more than one (1) year and an acquisition cost of \$300 or more per unit. Nonexpendable property shall include tangible personal property, including, but not limited to, office equipment, and real property and any interest in such real property, including any mortgage or other encumbrance of real property as well as any funds derived from the sale or disposition of nonexpendable property. Any utilization of funds derived from the sale or disposition of nonexpendable property must have prior approval of the County and otherwise comply with all applicable laws and regulations. In case of the Contract's termination, the County reserves the right to determine the final disposition of said nonexpendable property acquired for this project with CDBG funds, including funds derived therefrom. Said disposition may include taking possession of said nonexpendable property.
10. REVERSION OF ASSETS. Upon the expiration of this Contract, the Operating Agency shall transfer to the County any CDBG funds on hand at the time of expiration and any accounts receivable attributable to the use of CDBG funds.

Any real property under the Operating Agency's control that was acquired or improved in whole or in part with CDBG funds in excess of twenty five thousand dollars (\$25,000) shall be either:

- (i) Used to meet one of the national objectives in 24 CFR 570.208 until five (5) years after expiration of this Contract, or such longer period of time as is specified in Exhibit A; or
- (ii) Disposed of in a manner which results in the County being reimbursed in the amount of the current fair market value of the property less any portion thereof attributable to expenditures of non-CDBG funds for acquisition of, or improvement to, the property. Such reimbursement is not required after the period of time and under the conditions specified in paragraph 10 above.

11. PURCHASE OR LEASE OF NONEXPENDABLE PROPERTY. Operating Agency shall obtain three (3) documented bids prior to purchasing or leasing any nonexpendable personal property as approved in Exhibit A, Budget. The Operating Agency must purchase or lease from the lowest acceptable bidder. All nonexpendable property purchased or leased pursuant to the Contract shall be properly identified and inventoried and shall be charged at its actual price, deducting all cash discounts, rebates and allowances received by Operating Agency. This inventory shall be provided to the County upon request.
12. ACCOUNTING. The Operating Agency must establish and maintain on a current basis an adequate accrual accounting system in accordance with generally accepted accounting principles and standards, and the County Auditor Controller Contract Accounting and Administration Handbook. Regardless of the Operating Agency's method of accounting, expenses must be reported in accordance with Sections 5 and 39 of this Agreement.
13. [AFFIRMATIVE ACTION, INTENTIONALLY OMITTED].
14. CHANGES. The County may, from time to time, request changes in the scope of services of the Operating Agency to be performed hereunder. Such changes, including any increase or decrease in the amount of the Operating Agency's compensation, which are agreed upon by and between the County and the Operating Agency, shall be incorporated into this Contract by written amendments.
15. CHANGES IN GRANT ALLOCATION. The County reserves the right to reduce the grant allocation when the County's fiscal monitoring indicates that the Operating Agency's rate of expenditure will result in unspent funds at the end of the program year. Changes in the grant allocation will be made after consultation with the Operating Agency. Such changes shall be incorporated into this Contract by written amendments.
16. CITIZEN PARTICIPATION. All program data necessary to provide reports to citizens will be made available by the Operating Agency. Discussions will be held often enough so that the Operating Agency will be adequately apprised of citizen recommendations during the course of the program. Operating Agency representatives shall be available to respond to questions and receive recommendations at local meetings when so requested by the Executive Director or designee.
17. REVENUE DISCLOSURE REQUIREMENT. Upon request, Operating Agency shall file with the CDC a written statement listing all revenue received, or expected to be received, by Operating Agency from Federal, State, City or County sources, or other governmental agencies, and applied, or expected to be applied, to offset, in whole or in part, any of the costs incurred by Operating Agency in conducting current or prospective projects or business activities, including, but not necessarily limited to, the project or business activity which is the subject of this Contract. Such statement shall reflect the name and a description of such business activity, the dollar Operating Agency shall make available for inspection and audit

to County's representatives, upon request, at any time during the duration of this Contract, and during a period of three (3) years thereafter, all of its books and records relating to the operation by it of each project or business activity which is funded in whole or in part with governmental monies, including the project(s) funded under this Contract, whether or not such monies are received through County. All such books and records shall be maintained by Operating Agency at a location in Los Angeles County.

Failure of Operating Agency to comply with the requirements of this Section 17 of this Contract shall constitute a material breach of contract upon which County may cancel, terminate or suspend this Contract.

18. JOINT FUNDING. For projects in which there are sources of funds in addition to CDBG funds, Operating Agency may be required to provide proof of such funding. The County shall not pay for any costs incurred by Operating Agency which are paid with other funds. All restrictions and/or requirements provided for in this Contract, relative to accounting, budgeting and reporting, apply to the total project regardless of funding sources.
19. ASSURANCES. The Operating Agency hereby assures and certifies that it has complied with the Act, applicable regulations, policies, guidelines and requirements, OMB Circular Nos. A-110 and A-122, and that it will comply with all applicable Federal, State and local laws and regulations as they relate to acceptance and use of Federal funds for this Federally assisted program. Also, the Operating Agency gives assurance and certifies with respect to the project specified in Exhibit A, that it will comply with all of the provisions of 24 CFR Part 570.303, which pertain to assurances of program applicants. Furthermore, the Operating Agency gives assurance and certifies that it will comply with provisions of 41 CFR Part 60-1.4 and 24 CFR Part 135.20, each of which is incorporated herein by this reference. Operating Agency further assures and certifies that it will comply with any further amendments or changes to said required assurances and certifications that during the term of this Contract it will maintain current copies of said assurances and certifications at the address specified below.
20. NOTICES. All notices shall be served in writing. The notices to the Operating Agency shall be sent to the following address:

«Primary_Contact», «Title»
«Agency_Name»
«Address»
«City», CA «Zip»

Notices, reports and statements to the County shall be delivered or sent to the Executive Director or designee at:

Community Development Commission of the County of Los Angeles
2 Coral Circle
Monterey Park, California 91755

Each party shall promptly notify the other of any change in its mailing address.

21. ASSIGNMENT. This Contract is not assignable by Operating Agency without the express written consent of the County. Any attempt by Operating Agency to assign any performance of the terms of this Contract shall be null and void and shall constitute a material breach of this Contract.
22. NOTICE OF FEDERAL EARNED INCOME CREDIT. Operating Agency shall notify its employees, and shall require each subcontractor to notify its employees, that they may be eligible for the Federal Earned Income Credit under the federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in Internal Revenue Service Notice 1015.
23. FISCAL LIMITATIONS. The United States of America, through HUD, may in the future place programmatic or fiscal limitations on CDBG funds not presently anticipated. Accordingly, the County reserves the right to revise this Contract in order to take into account actions affecting HUD program funding. In the event of funding reduction, the County may reduce the budget of this Contract, as a whole or as to a cost category, may limit the rate of the Operating Agency's authority to commit and spend funds, or may restrict the Operating Agency's use of both its uncommitted and its unspent funds. Where HUD has directed or requested the County to implement a reduction in funding, in whole or as to a cost category, with respect to funding for this Contract, the Executive Director may act for the County in implementing and effecting such a reduction and in revising the Contract for such purpose. Where the Executive Director has reasonable grounds to question that the Operating Agency has materially complied with the terms of this Contract, Executive Director may act for the County in suspending the operation of this contract for up to sixty (60) days, upon three (3) days notice to Operating Agency of his or her intention to so act, pending an audit or other resolution of such questions. In no event, however, shall any revisions made by the County affect expenditures and legally binding commitments made by the Operating Agency before it received notice of such revision, provided that such amounts have been committed in good faith and are otherwise allowable, and that such commitments are consistent with HUD cash withdrawal guidelines.
24. USE OF FUNDS FOR ENTERTAINMENT, MEALS OR GIFTS. Operating Agency certifies and agrees that it will not use funds provided through this Contract to pay for entertainment, meals or gifts.
25. INDEMNIFICATION. The Operating Agency agrees to indemnify, defend and hold harmless County, and the Housing Authority of the County of Los Angeles,

and the CDC, their agents, officers and employees from and against any and all liability expense, including defense costs and legal fees, and claims for damages of any nature whatsoever, including, but not limited to, bodily injury, death, personal injury, or property damage arising from or connected with the Operating Agency's operations, or its services hereunder, including any workers' compensation suits, liability or expense arising from or connected with services performed on behalf of Operating Agency by any person pursuant to this Contract.

26. CONFLICT OF INTEREST. The Operating Agency, its agents and employees shall comply with all applicable Federal, State and County laws and regulations governing conflict of interest including, but not limited to, 24 CFR Part 570.611 and OMB Circular A-110. To this end, the Operating Agency will make available to its agents and employees copies of all applicable Federal, State and County laws and regulations governing conflict of interest.
27. DISCRIMINATION. No person shall, on the grounds of race, sex, creed, color, religion, age, physical disability or national origin, be excluded from participation in, be refused the benefits of, or otherwise be subject to discrimination in any activities, program or employment supported by this Contract.
28. BUDGET MODIFICATIONS. The Executive Director or designee, who shall be a Division Director or higher, may grant budget modifications to this Contract for the movement of funds between the budget categories identified in Exhibit A, when such modifications:
 - a. In aggregate do not exceed \$10,000 per budget cost category;
 - b. Are specifically requested by Operating Agency;
 - c. Do not alter the amount of compensation under this Contract;
 - d. Will not change the project goals or scope of services;
 - e. Are in the best interests of the County and Operating Agency in performing the scope of services under this Contract.
29. TIME OF PERFORMANCE MODIFICATIONS. The Executive Director or designee, who shall be a Division Director or higher, may grant time of performance modifications to this Contract when such modifications:
 - a. In aggregate do not exceed twelve (12) calendar months;
 - b. Are specifically requested by Operating Agency;
 - c. Will not change the project goals or scope of services;
 - d. Are in the best interests of the County and Operating Agency in performing the scope of services under this Contract; and
 - e. Do not alter the amount of compensation under this Contract.
30. AUDIT EXCEPTIONS BY STATE AND FEDERAL AGENCIES. Operating

Agency agrees that in the event the program established hereunder is subject to audit exceptions by appropriate State and Federal audit agencies, it shall be responsible for complying with such exceptions and paying the County the full amount of County's liability to the funding agency resulting from such audit exceptions.

31. INDEPENDENT CONTRACTOR. Both parties hereto in the performance of this Contract will be acting in their independent capacities and not as agents, employees, partners, joint ventures or associates of one another. The employees or agents of one party shall not be deemed or construed to be the agents or employees of the other party for any purpose whatsoever, including workers' compensation liability. Operating Agency shall bear the sole responsibility and liability for furnishing workers' compensation benefits to any person for injuries arising from or connected with services performed on behalf of the Operating Agency pursuant to this Contract.
32. AMENDMENTS/VARIATIONS. This writing, with attachments, embodies the whole of the agreement of the parties hereto. There are no oral agreements not contained herein. Except as herein provided, any addition to or variation of the terms of this Contract shall not be valid unless made in the form of a written amendment of this Contract formally approved and executed by both parties.
33. ACQUISITION OF SUPPLIES AND EQUIPMENT. Following approval by the County for necessary supplies and equipment for Contract performance, the Operating Agency may purchase from a related agency/organization only if: (a) prior authorization is obtained in writing from the County, (b) no more than maximum prices or charges are made and no more than minimum specifications are met, as provided in writing by the County, (c) a community related benefit is derived from such Operating Agency related acquisition, and (d) no conflict of interest for private gain accrues to the Operating Agency or its employees, agents or officers.
34. MONITORING AND EVALUATION. The County will monitor, evaluate and provide guidance to the Operating Agency in the performance of this Contract. Authorized representatives of the County and HUD shall have the right of access to all activities and facilities operated by the Operating Agency under this Contract. Facilities include all files, records, and other documents related to the performance of this Contract. Activities include attendance at staff, board of directors, advisory committee and advisory board meetings, and observation of on-going program functions. The Operating Agency will insure the cooperation of its staff and board members in such efforts. The Executive Director or designee may conduct program progress reviews. These reviews will focus on the extent to which planned program has been implemented and measurable goals achieved, effectiveness of program management, and impact of the program.

35. AUDITS. The Operating Agency's program will be audited in accordance with the County's policy and funding source guidelines. Audits may also be conducted by Federal, State or local funding source agencies. The County or its authorized representatives shall, at all times during the term of this Agreement and for a period of three (3) years thereafter, have access, for the purpose of audit or inspection, to any and all books, documents, papers, records, property, and premises of the Operating Agency. The Operating Agency's staff will cooperate fully with authorized auditors when they conduct audits and examinations of the Operating Agency's program. A financial audit of the Operating Agency's performance under this Contract shall be conducted at County's discretion. If indications of misappropriation or misapplication of the funds of this Contract cause the County to require a special audit, the cost of the audit will be encumbered and deducted from this Contract's budget.
36. INSURANCE. Without limiting Operating Agency's indemnification of County, the Operating Agency shall provide and maintain at its own expense during the term of this Contract a program of insurance satisfactory to the Commission's Risk Manager covering its operations hereunder as specifically defined in Exhibit «Ins» to this Contract, a copy of which is attached hereto and incorporated herein by this reference.
37. FAILURE TO PROCURE INSURANCE. Failure on the part of Operating Agency to procure or maintain required insurance (pursuant to Exhibit «Ins») shall constitute a material breach of contract under which County may immediately terminate this Contract or, at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith. All monies so paid by County shall be repaid by the Operating Agency to County upon demand or County may offset the cost of the premiums against any monies due to the Operating Agency from County.
38. PROGRAM INCOME. The County reserves the right to determine the disposition of any program income, as described in 24 CFR Part 570.504 accumulated under the project(s) set forth in Exhibit A. Said disposition may include the County taking possession of said program income.
39. FINANCIAL CLOSE OUT PERIOD. The Operating Agency agrees to complete all necessary financial close out procedures required by the Executive Director or designee, within a period of not more than sixty (60) calendar days from the expiration date of this Contract. This time period will be referred to as the financial close out period. The County is not liable to provide reimbursement for any expenses or costs associated with this Contract after the expiration of the financial close out period. After the expiration of the financial close out period, those funds not paid to the Operating Agency under this Contract, if any, may be immediately reprogrammed by County into other eligible activities in the County. The Executive Director, or designee, may request a final financial audit for activities performed under this Contract at the expiration of the financial close out period.

40. NEPOTISM. Operating Agency shall not hire nor permit the hiring of any person to fill a position funded through this Contract if a member of that person's immediate family is employed in an administrative capacity by Operating Agency. For the purpose of this section, the term "immediate family" means spouse, child, mother, father, brother, sister, brother-in-law, sister-in-law, father-in-law, mother-in-law, son-in-law, daughter-in-law, aunt, uncle, niece, nephew, stepparent and stepchild. The term "administrative capacity" means having selection, hiring, supervisory or management responsibilities, including serving on the governing body of Operating Agency.
41. RELIGIOUS AND POLITICAL ACTIVITIES. Operating Agency agrees that funds under this Contract will be used exclusively for performance of the work required under this Contract, and that no funds made available under this Contract shall be used to promote religious or political activities. Further, Operating Agency agrees that it will not perform, nor permit to be performed, any religious or political activities in connection with the performance of this Contract.
42. STAFF TRAVEL. Operating Agency shall not incur any expenditures for travel outside of Los Angeles County unless specifically provided for and itemized in Exhibit A, without prior written approval of County.
43. USE OF FUNDS. All funds approved under this Contract shall be used solely for costs approved in the program budget for this Contract. Contract funds shall not be used as a cash advancement between contracts, as security to guarantee payments for any nonprogram obligations, or as loans for nonprogram activities. Separate financial records shall be kept for each funding source.
44. REPORTS AND RECORDS. Operating Agency agrees to prepare and submit financial, program progress, monitoring, evaluation and other reports as required by County. Program progress reports shall be submitted on a monthly basis, in the form specified by the Executive Director or designee. Operating Agency shall maintain, and permit on site inspections of, such property, personnel, financial and other records and accounts as are considered necessary by County to assure proper accounting for all Contract funds during the term of this Contract and for a period of three (3) years thereafter. Operating Agency will ensure that its employees and board members furnish such information which, in the judgment of County representatives, may be relevant to a question of compliance with contractual conditions with County or granting agency directives, or with the effectiveness, legality and achievements of the program.
45. EXPENDITURES. Expenditures made by Operating Agency in the operation of this Contract shall be in strict compliance and conformity with the Budget set forth in Exhibit A, unless prior written approval for an exception is obtained from Executive Director or designee.
46. COUNTY LOBBYIST ORDINANCE: Operating Agency and each County lobbyist firm, as defined in Los Angeles County Code Chapter 2.160 (County Ordinance 93-0031), retained by the Operating Agency, shall fully comply with the requirements as set forth in said County Code. The Operating Agency must

also certify in writing that it is familiar with the Los Angeles County Code Chapter 2.160 and that all persons acting on behalf of the Operating Agency will comply with the County Code.

Failure on the part of the Operating Agency and each County lobbyist firm to fully comply with the County lobbyist requirements shall constitute a material breach of the Contract upon which the Commission may immediately terminate this Contract and the Operating Agency shall be liable under civil action.

47. FEDERAL LOBBYIST REQUIREMENTS: The Operating Agency is prohibited by the Department of Interior and Related Agencies Appropriations Act, known as the Byrd Amendments, and HUD'S 24 Code of Federal Regulations (CFR) 87, from using federally appropriated funds for the purpose of influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, loan or cooperative agreement, and any extension, continuation, renewal, amendment or modification of said documents.

The Operating Agency must certify in writing that they are familiar with the Federal Lobbyist Requirements and that all persons and/or subcontractors acting on behalf of the Operating Agency will comply with the Lobbyist Requirements.

Failure on the part of the Operating Agency or persons/subcontractors acting on behalf of the Operating Agency to fully comply with the Federal Lobbyist Requirements shall be subject to civil penalties.

48. LOBBYING CERTIFICATION: The following is applicable to projects utilizing funds received from the 2002-03 allocations.

The undersigned certify, to the best of their knowledge and belief, that:

- (i) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (ii) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, or any employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions.

- (iii) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into.

- 49. CERTIFICATION PROHIBITING USE OF EXCESSIVE FORCE: In accordance with Section 519 of Public Law 101-144, the undersigned certifies, to the best of his or her knowledge and belief, that it has adopted and is enforcing:

- (i) A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and
- (ii) A policy of enforcing applicable State and local laws against individuals physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction.

- 50. DRUG-FREE WORKPLACE: Operating Agency agrees to provide a drug-free workplace by:

- (i) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Operating Agency's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
- (ii) Establishing an ongoing drug-free awareness program to inform employees about -
 - a. The dangers of drug abuse in the workplace;
 - b. The Operating Agency's policy of maintaining a drug-free workplace;
 - c. Any available drug counseling, rehabilitation, and employee assistance programs; and
 - d. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
- (iii) Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by subparagraph (i) of this Paragraph 50;

- (iv) Notifying the employee in the statement required by paragraph i of this Paragraph 50 that, as a condition of employment under the grant, the employee will -
 - a. Abide by the terms of the statement; and
 - b. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace after five calendar days after such conviction;
- (5) Notifying the County in writing, within ten calendar days after receiving notice under subparagraph (iv)(b) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
- (6) Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph (iv)(b), with respect to any employee who is so convicted -
 - a. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - b. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
- (7) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (i), (ii), (iii), (iv), (v) and (vi).
- (8) The Operating Agency may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant;

Check ___ if there are workplaces on file that are not identified here.

51. SECTION 51, "RESIDENTIAL ANTIDISPLACEMENT AND RELOCATION ASSISTANCE PLAN": Section 104(d) of the Housing and Community Development Act of 1974, also known as the Barney Frank Amendment, requires relocation assistance for displaced low-income families and requires one-for-one replacement of low/moderate income dwelling units that are demolished or converted to other use. When CDBG funds are used in a project, including financing for rehabilitation, or project delivery costs, Section 104(d) is triggered. CDBG Regulations further describe the requirements under 24 CFR Section 570.606 Displacement, Relocation, Acquisition, and Replacement of Housing.

Operating Agency must adopt and make public a Residential Antidisplacement and Relocation Assistance Plan as part of its administrative requirements to HUD. Before Operating Agency enters into a contract committing it to provide funds for any activity that will directly result in the demolition, or conversion to another use, of low/moderate-income dwelling units, it must make public and submit to HUD the information as described in Section 24 CFR 570.606 (c) (iii) A-G.

52. PROPERTY MAINTENANCE STANDARDS. The Operating Agency providing services under Contract with the County of Los Angeles or CDC and must ensure that sufficient property maintenance ("property maintenance standards") shall be provided to the facility where services are being provided. Property maintenance includes removal of trash and debris, graffiti abatement, landscaping and physical appearance acceptable to CDC.

53. SECTION 3. In order to comply with the Housing and Urban Development Act of 1968, the Operating Agency and, where applicable, its contractor(s) and subcontractor(s) shall comply with Section 3 regulations as described in 24 CFR Part 135. The Section 3 compliance activities of the Operating Agency and its contractor(s) and subcontractor(s) shall be governed by the CDC's CDBG Compliance Instructions, as amended.

The Operating Agency may use their CDBG funds towards property maintenance standards, however, each case would be reviewed on an individual basis and approved by the CDC. The CDC has established an expenditure cap not to exceed 5 percent of the Contract allocation for property maintenance standards.

54. ARCHITECTURAL BARRIERS ACT AND THE AMERICANS WITH DISABILITIES ACT. The Architectural Barriers Act of 1968 (42 U.S.C. 4151-4157) requires certain Federal and Federally funded buildings and other facilities to be designed, constructed, or altered in accordance with standards that insure accessibility to, and use by, physically disabled people. A building or facility designed, constructed, or altered with funds allocated or reallocated under this part after December 11, 1995, and that meets the definition of "residential structure" as defined in 24 CFR 40.2 or the definition of "building" as defined in 41 CFR 101-19.602(a) is subject to the requirements of the Architectural Barriers Act of 1968 (42 U.S.C. 4151-4157) and shall comply with the Uniform Federal Accessibility Standards (Appendix A to 24 CFR part 40 for residential structures, and Appendix A to 41 CFR part 101-19, subpart 101-19.6, for general type buildings).

The Americans with Disabilities Act (42 U.S.C. 12131; 47 U.S.C. 155.201, 218 and 225) (ADA) provides comprehensive civil rights to individuals with disabilities in the areas of employment, public accommodations, State and local government services, and telecommunications. It further provides that discrimination includes a failure to design and construct facilities for first occupancy after January 26, 1993 that are readily accessible to and usable by individual with disabilities. Further, the ADA requires the removal of architectural barriers and communication barriers that are structural in nature in existing facilities, where such removal is readily achievable--that is, easily accomplishable and able to be carried out without much difficulty or expense.

55. CONFIDENTIALITY OF REPORTS. Operating Agency shall keep confidential all reports, information and data received, prepared or assembled pursuant to performance hereunder. Such information shall not be made available to any person, firm, corporation or entity without the prior written consent of the County.
56. SAFETY STANDARDS AND ACCIDENT PREVENTION. The Operating Agency shall comply with all applicable federal, state and local laws governing safety, health and sanitation. The Operating Agency shall provide all safeguards, safety devices and protective equipment and take any other needed actions, as its own responsibility, reasonably necessary to protect the life and health of employees on the job and the safety of the public and to protect property in connection with the performance of this Contract.
57. SEVERABILITY. In the event that any provision herein contained is held to be illegal, invalid or unenforceable, such provision shall be deemed severable from the remainder of this Contract and shall in no way affect, impair or invalidate any other provision contained herein. If any such provision shall be deemed invalid due to its scope or breadth, such provision shall be deemed valid to the extent of the scope or breadth permitted by law.
58. INTERPRETATION. No provision of this Contract is to be interpreted for or against either party because that party or that party's legal representative drafted such provision, but this Contract is to be construed as if it were drafted by both parties hereto.
59. WAIVER. No breach of any provision hereof can be waived unless in writing. Waiver of any one breach of any provision shall not be deemed to be a waiver of any breach of the same of any other provision hereof.
60. TERMINATION FOR IMPROPER CONSIDERATION. The County may, by written notice to the Operating Agency, immediately terminate the right of the Operating Agency to proceed under this Contract if it is found that improper consideration, in any form, was offered or given by the Operating Agency, either directly or through an intermediary, to any County officer, employee or agent with the intent of securing the Contract or securing favorable treatment with respect to the award, amendment or extension of the Contract or the making of any determinations.
61. USE OF RECYCLED-CONTENT PAPER PRODUCTS. Consistent with the Board of Supervisors' policy to reduce the amount of solid waste deposited at the County landfills, the Operating Agency agrees to use recycled-content paper to the maximum extent possible on the Project.
62. ENTIRE CONTRACT. This Contract with attachment constitutes the entire understanding and agreement of the parties.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Contract to be subscribed by the Executive Director of the Community Development Commission, and the Operating Agency has subscribed the same through its duly authorized officers, the day, month and year first above written.

COUNTY OF LOS ANGELES

Operating Agency

By: _____
CARLOS JACKSON, Executive Director
Community Development Commission
of the County of Los Angeles

By : _____
Title: _____

APPROVED AS TO FORM:

APPROVED AS TO PROGRAM:

LLOYD W. PELLMAN
County Counsel

CARLOS JACKSON, Executive Director
Community Development Commission
of the County of Los Angeles

By: _____
Deputy

By: _____
Director, CDBG

**COUNTY OF LOS ANGELES
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
OTHER PUBLIC AGENCY
REIMBURSABLE CONTRACT
AMENDMENT NUMBER**

PROJECT TITLE: _____

PROJECT NUMBER: _____ CONTRACT NUMBER: _____

AMENDMENT NUMBER: _____

THIS AMENDMENT TO CONTRACT made this _____, day of _____ 200_, by the County of Los Angeles, hereinafter called the "County", acting by and through the Community Development Commission of the County of Los Angeles, and the _____, hereinafter called the "Operating Agency".

WITNESSETH THAT:

WHEREAS, the County and the Operating Agency previously entered into a Community Development Block Grant Program Other Public Agency Reimbursable Contract Number _____ dated _____; and

WHEREAS, County and Operating Agency desire to amend said Contract in order that Operating Agency may better implement the project.

NOW, THEREFORE, in consideration of the mutual undertakings herein, the parties agree that said Contract Number _____ be amended as follows:

1. COMPENSATION AND METHOD OF PAYMENT is amended to show (\$ _____). This is an increase of _____ dollars (\$ _____) to the project amount. An amended Exhibit A, Project Description, is attached hereto and incorporated by reference herein, and substituted in its entirety for the previously attached Exhibit A.
2. TIME OF PERFORMANCE is amended to show a completion date of: _____.
3. BUDGET SECTION is amended to reflect the new compensation amount of (\$ _____).
4. All other terms and conditions of said Contract shall remain the same and in full force and effect.

IN WITNESS WHEREOF, the County and the Operating Agency, through their duly authorized officers, have executed this amendment as of the date first above written.

COUNTY OF LOS ANGELES

By: _____
CARLOS JACKSON, Executive Director
Community Development Commission
of the County of Los Angeles

APPROVED AS TO FORM:

LLOYD W. PELLMAN
County Counsel

By: _____
Deputy

Operating Agency

By: _____
Title: _____

APPROVED AS TO PROGRAM:

CARLOS JACKSON, Executive Director
Community Development Commission
of the County of Los Angeles

By: _____
Director, CDBG



**COMMUNITY DEVELOPMENT COMMISSION
of the County of Los Angeles**

2 Coral Circle • Monterey Park, CA 91755
323.890.7001 • www.lacdc.org

**Gloria Molina
Yvonne Brathwaite Burke
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich**
Commissioners

Carlos Jackson
Executive Director

April 28, 2004

Honorable Housing Commissioners
Housing Authority of the
County of Los Angeles
2 Coral Circle
Monterey Park, California 91755

Dear Commissioners:

**APPROVE THE HOUSING AUTHORITY'S FISCAL YEAR 2004-2005 BUDGET
(ALL DISTRICTS)**

IT IS REQUESTED THAT YOUR COMMISSION:

1. Recommend that the Board of Commissioners approve the Housing Authority's Fiscal Year 2004-2005 Budget, which includes revenues and expenditures of \$268,751,500; and instruct the Executive Director to implement the Budget and take all related actions, including execution of all required documents, for the purposes described herein.
2. Recommend that the Board of Commissioners adopt the attached Resolution approving the Fiscal Year 2004-2005 Budget of the Housing Authority; and instruct the Executive Director to submit the Resolution to the U.S. Department of Housing and Urban Development (HUD).

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The purpose of this action is to approve the Fiscal Year 2004-2005 Budget of the Housing Authority. HUD requires that the Board of Commissioners approve the Fiscal Year 2004-2005 Budget prior to the release of funds for continued operation of the Assisted Housing Division, the Housing Management Division, and five residential and community assistance programs.

FISCAL IMPACT/FINANCING:

The Housing Authority's Fiscal Year 2004-2005 Budget includes \$360,000 in County general funds, which the Chief Administrative Officer is recommending to support the University of California Cooperative Extension Program.



The proposed Housing Authority Fiscal Year 2004-2005 Budget is \$268,751,500. This is a \$29.6 million increase over Fiscal Year 2003-2004. The following table compares funding levels for Fiscal Years 2003-2004 and 2004-2005.

Housing Authority	2003-2004 Budget	2004-2005 Budget
Divisions		
Assisted Housing - Section 8 Rental Assistance	\$ 174,386,900	\$ 206,610,300
Housing Management – Public Housing	\$ 31,319,900	\$ 29,546,700
Housing Management – Public Housing Modernization	\$ 12,696,900	\$ 10,300,200
Other Programs		
Telemedicine	\$ 599,800	\$ 216,700
Cooperative Extension	\$ 639,800	\$ 460,000
Youth in Focus	\$ 102,800	\$ 60,600
City of Industry - Tax Increment	\$ 19,392,500	\$ 20,090,200
Traffic Violator School Monitoring*	N/A	\$ 1,466,800
TOTAL	\$ 239,138,600	\$ 268,751,500
*Moved from the budget of the Community Development Commission to Housing Authority.		
STAFFING		
Regular Staff	275.76	301.18
Contract Staff	128.97	134.17
TOTAL	404.73	435.35

Assisted Housing Division

During Fiscal Year 2004-2005 the Assisted Housing Division will administer a total of \$206,610,300 to provide rental assistance to approximately 23,450 low- and very low-income families and seniors. This is an increase of \$32.2 million over Fiscal Year 2003-2004.

The Section 8 Rental Assistance Program will receive \$22.5 million in additional HUD funds, based on a projected 100 percent lease-up rate of contracted private rental units. During the current and previous fiscal years, the Housing Authority consistently exceeded

its 98 percent target lease-up rate, making it viable to budget at a higher rate for the coming year. The increased budget amount also reflects additional funds resulting from the high number of Section 8 Housing Choice Voucher Program participants who elected to transfer from other jurisdictions to the County of Los Angeles in Fiscal Year 2003-2004. It is anticipated that the transfers will result in an additional \$8 million in landlord payments and administrative funds from other jurisdictions. The division has also received \$1.1 million in new grant funding for Fiscal Year 2004-2005. In addition, the division is anticipating expending approximately \$518,000 in prior year reserves.

Housing Management Division

The Housing Management Division manages and maintains 3,636 housing units and provides resident services such as computer centers, programs for youth, after-school homework assistance and counseling services.

During Fiscal Year 2004-2005, the Housing Management Division will administer a total of \$29,546,700, which includes funds from HUD, public housing rent revenue, and other sources. The Budget reflects a decrease of \$1.77 million due to a reduction in resident initiative services. A total of \$2,540,342 in Community Development Block Grant (CDBG) funds will be administered for public housing maintenance and improvements and resident services. The total CDBG allocation is comprised of \$360,560 carried over from Fiscal Year 2003-2004, and the new allocation of \$2,179,782 for Fiscal Year 2004-2005.

The Housing Management Division also administers the Public Housing Modernization Program, which provides continuous upgrading of Housing Authority-owned public housing sites. The \$10,300,200 Modernization Program budget includes funds carried over from Fiscal Year 2003-2004, the Fiscal Year 2004-2005 allocation, and \$4.2 million out of a proposed \$6.2 million CDBG Float Loan between the County and the Housing Authority. The Modernization Program budget reflects a decrease of \$2.39 million for Fiscal Year 2004-2005 due to a reduction in Capital Fund Program funding from HUD and the anticipated June 30, 2004 completion date of the community and child care centers at the Harbor Hills housing development.

Other Programs

Housing Authority programs also include the Cooperative Extension, Youth in Focus, Telemedicine and Traffic Violator School Monitoring (TVSM) programs. These programs provide services to residents of Los Angeles County and youth, adults, and seniors living in the public housing sites.

The Cooperative Extension program, administered by the University of California, provides educational opportunities, ranging from nutrition and job readiness to literature and growing food and plants. The Youth in Focus program teaches public housing site youth the basics of photography through class sessions and field trips. The Telemedicine program provides

medical services and immunizations and workshops to promote health awareness. The TVSM program works in cooperation with the Los Angeles County Superior Court, California Department of Motor Vehicles and the Los Angeles County Sheriff's Department to ensure that 164 traffic violator schools and 22 Internet and home study courses operating within the County are in compliance with the Vehicle Code of the State of California.

Beginning Fiscal Year 2004-2005, the budget for the TVSM program will be moved from the Community Development Commission of the County of Los Angeles to the Housing Authority to align funds with the proper administrative agency.

As required under the California Government Code, Section 65584.3, the Housing Authority receives allocations of tax increment funds from the City of Industry to develop housing for low-income individuals, families and special needs populations. These funds are allocated to the Housing Authority and are included in its Budget, but are administered by the Community Development Commission, which serves as the redevelopment agency for the County. The City of Industry funds are not under the administrative purview of the Housing Commission.

Housing Authority Staff

Regular staff will increase by 25.42 positions primarily due to the movement of the TVSM Program to the Housing Authority, which resulted in an increase of 13.1 positions. Assisted Housing also increased staff in response to increased program needs, due to high lease-up rates and the high number of Section 8 Housing Choice Voucher Program participants transferring into the County of Los Angeles.

Contract staff increased by 5.20 positions due to internal transfers and increased staffing needs for Assisted Housing.

A breakdown of staff information, by program, is provided in Attachment A.

FACTS AND PROVISIONS:

HUD requires that the Board of Commissioners adopt a Resolution approving the Housing Authority budget for administration of the above programs. The Resolution has been approved as to form by County Counsel.

The Published Budget Pages are provided with this letter as Attachment A, detailing goals and objectives and related expenditures for the upcoming year. The Resolution and HUD transmittal form are provided as Attachments B and C, respectively.

Honorable Housing Commissioners
April 28, 2004
Page 5

IMPACT ON CURRENT SERVICES:

Approval of the Fiscal Year 2004-2005 Budget of the Housing Authority will enable housing programs to continue for low- and very low-income families and seniors.

Respectfully submitted,


for CARLOS JACKSON
Executive Director

CJ:krcha_budget_hc_4-15-04

Attachments: 3

**RESOLUTION APPROVING THE FISCAL YEAR 2004-2005
BUDGET OF THE HOUSING AUTHORITY OF THE
COUNTY OF LOS ANGELES**

WHEREAS, the Board of Commissioners of the Housing Authority of the County of Los Angeles has received the Budget for Fiscal Year 2004-2005 and has found:

1. That the proposed expenditures are necessary for the efficient and economical operation of housing programs for the purpose of serving low-income families.
2. That the financial plan is reasonable in that:
 - (a) It indicates a source of funding adequate to cover all proposed expenditures.
 - (b) It does not provide for use of federal funding in excess of that payable under the provisions of 24 Code of Federal Regulations Section 990.
3. That all proposed rental charges and expenditures will be consistent with provisions of law and the Annual Contributions Contracts with the U.S. Department of Housing and Urban Development.
4. That no employee serving in a variety of positions is reflected in the operating budget as serving an aggregate amount of time exceeding 100 percent.
5. That the U.S. Department of Housing and Urban Development requires that the use of Section 8 Operating Reserve funds for other housing purposes, in the amount of \$50,000 or greater, must be approved by the Board of Commissioners.

WHEREAS, it is necessary for the Board of Commissioners of the Housing Authority of the County of Los Angeles to adopt an annual budget.

NOW, THEREFORE, the Board of Commissioners of the Housing Authority of the County of Los Angeles, hereby resolves as follows:

1. The above recitals are true and correct.
2. The Housing Authority of the County of Los Angeles adopts the following budgeted revenues and appropriations for Fiscal Year 2004-2005, as set forth in the Annual Budget for the Housing Authority of the County of Los Angeles:

Estimated Funding	<u>\$268,751,500</u>
Expenditure and Reserve Appropriations:	<u>\$268,751,500</u>

3. That the use of Section 8 Operating Reserve funds for other housing purposes, in the amount of \$50,000 or greater, must be approved by the Board of Commissioners.
4. This Resolution shall take effect immediately.

ATTEST:
VIOLET VARONA-LUKENS
Executive Officer-Clerk of
the Board of Commissioners

THE HOUSING AUTHORITY OF THE
COUNTY OF LOS ANGELES

By: _____
Deputy

By: _____
Chair

APPROVED AS TO FORM:
LLOYD W. PELLMAN
County Counsel

By: _____
Deputy

ATTACHMENT

A

Assisted Housing

OVERVIEW:

Assisted Housing is a dynamic division that administers ongoing rent subsidy Section 8 programs including the Certificate and Housing Choice Voucher Program, the Moderate Rehabilitation Program and six Small City Section 8 programs. In addition, Assisted Housing administers supporting programs that include Housing Opportunities for Persons with Aids (HOPWA), Shelter Plus Care, Family Self-Sufficiency (FSS), Section 8 New Construction units monitoring and the Affordable Housing Monitoring component of the Mortgage Revenue Bond Program.

The Housing Authority Section 8 Rental Assistance Programs have allocation subsidies for 23,450 very low-income families. The Affordable Housing Monitoring program, a component of Assisted Housing, provides contract administration and oversees approximately 10,568 units set aside for low- and very low-income persons.

2003-04 PROGRAM HIGHLIGHTS:

- Maintained a 100% lease-up rate based on the reserved number of units and expended 100% annual budget authority.
- Received a Standard Performer rating under the Section 8 Management Assessment Program.
- Responded to 97% of written public inquiries within ten working days.
- Inspected 90% of initial contract units within five to seven days of receipt of the Request for Tenancy Approval.
- Conducted 100% of Contract Administration Monitoring of 352 units.
- Completed 100% of annual audits of 1,954 units under the Multi-Family Bond Affordable Housing Monitoring Program.

2004-05 PROGRAM ACTIVITIES:

A summary of this division is provided on the following page. Included in this summary are the mission statement, objectives, budget, and regular full-time and contract employee levels.

Program: Assisted Housing
Division: Assisted Housing

MISSION:

Provide rental assistance services to low-income families in a professional manner and in an atmosphere of care and respect for all clients.

MAJOR OBJECTIVES FOR FY 2004-05:

1. Maintain 99% or higher lease-up rate based on the reserved number of units and expend 99% or more annual budget authority.
2. Receive a Standard Performer or higher rating under the Section 8 Management Assessment Program.
3. Every month, maintain an 85% reporting rate under the Public and Indian Housing Information Center (formerly MTCS).
4. Respond to 97% of written public inquiries within ten working days.
5. Inspect 90% of initial contract units within seven working days of receipt of the Request for Tenancy Approval.
6. Conduct 100% of Contract Administration Monitoring of 352 units.
7. Complete 100% of annual audits of 625 units under the Multi-Family Bond Affordable Housing Monitoring Program.

PROGRAM BUDGET INFORMATION:

	<u>2003-04 BUDGET</u>	<u>2003-04 ESTIMATE</u>	<u>2004-05 BUDGET</u>
Salary and Benefits	\$9,164,100	\$10,132,600	\$12,630,700
Non-Personal Services	\$4,361,200	\$5,950,400	\$4,680,800
Landlord Payments	\$156,790,000	\$169,135,300	\$184,854,900
Capital Outlay	\$48,000	\$194,800	\$45,000
Transfers	\$4,023,600	\$4,506,200	\$4,398,900
TOTAL	\$174,386,900	\$189,919,300	\$206,610,300
Number of Regular Employees	154.00	164.02	168.25
Number of Contract Employees	26.00	34.97	55.40

Housing Management

OVERVIEW:

The Housing Management Division is one of two divisions of the Housing Authority. The Division is responsible for the County's affordable and public housing, which includes 71 housing developments located throughout Los Angeles County, consisting of 3,636 units. The Division has a Housing Management Model that guides the organization in its daily operations by incorporating program administration, modernization activities, resident services, crime and safety programs, and inter-agency partnerships.

Residents of public housing pay no more than 30 percent of their monthly income for rent. These rental receipts, operating subsidy from HUD, and various grants provide a majority of the funds to operate and maintain the units in a safe, decent, and sanitary condition.

The Public Housing Modernization program provides for the extensive rehabilitation of public housing owned and operated by the Housing Authority.

2003-04 PROGRAM HIGHLIGHTS:

- Achieved an annual occupancy rate of 97%.
- Completed 98% of emergency work orders within 24 hours and non-emergency work orders within two working days.
- Completed 100% annual inspections of dwelling units.
- Conducted criminal background checks and credit checks for 1,000 applicants.
- Partnered with the Los Angeles County Probation Department and received \$645,400 in funding from the Juvenile Justice Crime Prevention Act Grant.
- Provided recreation programs at Harbor Hills, Camelitos, Ujima Village, South Scattered Sites and Nueva Maravilla.
- Continued to promote participation of youth and adult residents in literacy, math, English as a second language, computer literacy, and other skills through on-site and distance learning programs with local schools and colleges. A total of 3,000 residents participated in these programs.
- Upgraded the PLATO literacy software program at six Family Learning Centers to include a revised literacy and Spanish language based program.

Housing Management

2003-04 PROGRAM HIGHLIGHTS continued:

- Collected 97% of Tenant Accounts Receivables.
- Updated and submitted the Five-Year Action Plan and Annual Statement to HUD for the 2003 Capital Fund Program for Los Angeles County and Lomita Manor.
- All target dates for the obligation and expenditure of funds in all approved Annual Statements were amended or revised and submitted to HUD timely.
- Completed 16 construction contracts at the 24 housing sites.
- Conducted resident meetings in preparation for submission of the Capital Fund Program Annual Statement to HUD.

2004-05 PROGRAM ACTIVITIES:

A summary of each program is provided on the following pages. Included in the summary are each program's mission statement, objectives, budget, and regular full-time and contract employee levels.

Program: Housing Management
Division: Housing Management

MISSION:

To effectively generate and utilize the resources of the Housing Authority to provide quality affordable housing and expand opportunities to improve the quality of life in housing developments through the involvement of employees, residents and community partners.

MAJOR OBJECTIVES FOR FY 2004-05:

1. Average an annual occupancy rate of 98%.
2. Complete 99% of emergency work orders within 24 hours and non-emergency work orders within two working days.
3. Complete 100% of annual inspections of dwelling units.
4. Continue Crime and Safety Program activities throughout Los Angeles County.
5. Continue Resident Initiatives programs that enable self-sufficiency and promote literacy.
6. Collect 98% of Tenant Accounts Receivables.
7. Develop partnerships with universities to have undergraduates and graduate volunteers providing services at Family Learning Centers, Family Resource Centers, and senior housing developments.

PROGRAM BUDGET INFORMATION:

	<u>2003-04 BUDGET</u>	<u>2003-04 ESTIMATE</u>	<u>2004-05 BUDGET</u>
Salary and Benefits	\$9,977,400	\$9,665,000	\$9,916,600
Non-Personal Services	\$16,955,000	\$15,598,400	\$14,550,100
Subventions	\$0	\$0	\$0
Capital Outlay	\$3,233,800	\$1,496,300	\$3,572,500
Transfers	\$1,153,700	\$1,147,600	\$1,507,500
TOTAL	<u>\$31,319,900</u>	<u>\$27,907,300</u>	<u>\$29,546,700</u>
Number of Regular Employees	108.00	102.98	99.50
Number of Contract Employees	87.00	84.78	74.10

Program: Public Housing Modernization
Division: Housing Management

MISSION:

Provide for the renovation and modernization of public housing owned by the Housing Authority.

MAJOR OBJECTIVES FOR FY 2004-05:

1. Update and submit the Five-Year Action Plan and Annual Statement to HUD for the 2004 Capital Fund Program (CFP).
2. Ensure all target dates for the obligation and expenditure of funds are met or revisions of the deadlines are submitted timely and approved by HUD.
3. Ensure timely submission of amendments to HUD for changes in the approved CFP funding activity which will involve a cumulative of more than 10% of the CFP.
4. Complete construction at 20 housing sites.
5. Conduct resident and resident council meetings in preparation for submitting the Capital Fund Program Annual Statement to HUD.
6. Complete and close out one construction contract for the seismic retrofit of one housing site.

PROGRAM BUDGET INFORMATION:

	<u>2003-04 BUDGET</u>	<u>2003-04 ESTIMATE</u>	<u>2004-05 BUDGET</u>
Salary and Benefits	\$264,000	\$267,200	\$282,300
Non-Personal Services	\$87,500	\$214,000	\$87,600
Subventions	\$0	\$0	\$0
Capital Outlay	\$12,345,400	\$11,475,400	\$9,930,300
Transfers	\$0	\$0	\$0
TOTAL	\$12,696,900	\$11,956,600	\$10,300,200
Number of Regular Employees	2.00	2.00	3.00
Number of Contract Employees	1.00	1.00	0.00

Program: Telemedicine
Division: Housing Management

MISSION:

To ensure effective coordination and oversight of the telemedicine services.

MAJOR OBJECTIVES FOR FY 2004-05:

1. Establish partnerships with both the Carmelitos and Nueva Maravilla Clinics.
2. Implement at least one partnership to ensure that medical services are operational during the fiscal year.
3. Develop a reporting infrastructure with potential partners to monitor and ensure that medical and health services are provided to public housing residents by CDC partners. This includes developing target utilization goals for those clinics that are providing medical services.
4. Complete work on the First Five LA Grant and pursue new grant initiatives.
5. Close out the HUD grant and apply the remaining funds for developing an active distance education program. This includes the development of educational programs at all three clinic sites.

PROGRAM BUDGET INFORMATION:

	<u>2003-04 BUDGET</u>	<u>2003-04 ESTIMATE</u>	<u>2004-05 BUDGET</u>
Salary and Benefits	\$345,700	\$304,900	\$76,300
Non-Personal Services	\$251,600	\$217,500	\$140,400
Subventions	\$0	\$0	\$0
Capital Outlay	\$2,500	\$500	\$0
Transfers	\$0	\$0	\$0
TOTAL	\$599,800	\$522,900	\$216,700
Number of Regular Employees	0.00	0.00	0.00
Number of Contract Employees	9.00	7.83	1.00

Program: Cooperative Extension
Division: Office of Executive Management

MISSION:

Provide educational programs and activities in the areas of youth development, urban gardening, nutrition, and consumer science that enable youth and adults to make good decisions and lead better lives.

MAJOR OBJECTIVES FOR FY 2004-05:

1. Provide educational programs focused on family-related concerns such as food and nutrition, family relationships, food safety, consumer issues, and money management.
 2. Through the Expanded Food and Nutrition Education Program (EFNEP) and the Food Stamp Nutrition Education Program (FSNEP), teach homemakers with limited incomes how to improve family diets, make better use of available resources, and improve their food preparation skills.
 3. Offer nutrition, gardening and consumer science programs designed for and targeted specifically towards seniors living in public housing.
 4. Support job readiness and life skills training for Housing Authority residents by offering the "Gateway to a Better Life" program, which focuses on goal setting, money management, time management, workforce preparedness, child care selection, appropriate workplace behavior, and overcoming barriers to employment.
 5. Provide training, educational materials and technical assistance to family and senior housing residents who want to grow more of their own fruits and vegetables to augment their food budget.
 6. Provide training and technical assistance as requested on various landscaping and horticulture projects at County public housing sites, in conjunction with The Growing Experience.
 7. Invite interested youth residents to participate in learn-by-doing activities such as 4-H clubs, special-interest groups, after-school enrichment programs, community service programs and camping. Recruit adult volunteers to encourage and assist the youth.
-

PROGRAM BUDGET INFORMATION:

	<u>2003-04 BUDGET</u>	<u>2003-04 ESTIMATE</u>	<u>2004-05 BUDGET</u>
Salary and Benefits	\$80,000	\$49,900	\$0
Non-Personal Services	\$559,800	\$589,900	\$460,000
TOTAL	\$639,800	\$639,800	\$460,000
Number of Regular Employees	0.00	0.00	0.00
Number of Contract Employees	2.00	1.17	0.00

Program: Youth In Focus
Division: Office of Executive Management

MISSION:

The Youth In Focus program teaches youth the technical aspects of photography, while also using the medium as a means of artistic expression and showcasing it as a viable career.

MAJOR OBJECTIVES FOR FY 2004-05:

1. Maintain the Youth In Focus photography program at four public housing sites.
2. Explore fundraising and materials generating activities to supplement program budget.
3. Continue to develop relationships within the artistic community to provide experiences for program participants as well as potential venues for photography exhibits.
4. Identify more photography contests and internship opportunities for Youth In Focus participants.

PROGRAM BUDGET INFORMATION:

	<u>2003-04 BUDGET</u>	<u>2003-04 ESTIMATE</u>	<u>2004-05 BUDGET</u>
Salary and Benefits	\$40,000	\$36,700	\$500
Non-Personal Services	\$62,800	\$66,100	\$60,100
Subventions	\$0	\$0	\$0
Capital Outlay	\$0	\$0	\$0
Transfers	\$0	\$0	\$0
TOTAL	\$102,800	\$102,800	\$60,600
Number of Regular Employees	0.00	0.00	0.00
Number of Contract Employees	0.50	0.50	0.00

Program: City of Industry Tax Increment
Division: Housing Development and Preservation

MISSION:

To implement an approved strategy for the allocation and distribution of the City of Industry funds for the development of housing for low-income individuals, families and special needs populations.

MAJOR OBJECTIVES FOR FY 2004-05:

1. Allocate funds through a Request for Proposal (RFP) process for approximately \$5 million for 50 units in special needs housing.
2. Begin construction for five Special Needs projects for 84 units involving \$6.71 million of Industry funds.
3. Complete construction of six special needs projects for 191 units involving \$4.89 million of Industry funds. These units are set-aside for persons with HIV/AIDS, mentally ill, and emancipated foster youth.
4. Allocate funds through a Request for Proposal (RFP) process for approximately \$5 million for 100 units in affordable housing.
5. Begin construction on two affordable housing developments for 122 units involving approximately \$1.78 million of Industry funds.
6. Complete 18 affordable housing developments for 716 units involving approximately \$11.36 million of Industry funds.

*Special Needs Housing includes housing for the developmentally disabled, mentally ill, victims of domestic violence, emancipated foster youth, and persons with HIV/AIDS.

**Affordable Housing includes multifamily rental housing, rental housing for seniors, and affordable for-sale housing.

PROGRAM BUDGET INFORMATION:

	2003-04 BUDGET	2003-04 ESTIMATE	2004-05 BUDGET
Salary and Benefits	\$963,500	\$1,026,300	\$1,310,200
Non-Personal Services	\$251,500	\$161,100	\$156,500
Subventions	\$16,314,400	\$11,219,700	\$16,090,800
Capital Outlay	\$871,400	\$3,483,500	\$676,600
Transfers	\$991,700	\$1,061,300	\$1,856,100
TOTAL	\$19,392,500	\$16,951,900	\$20,090,200
Number of Regular Employees	11.76	14.89	17.33
Number of Contract Employees	3.47	0.30	0.67

Program: Traffic Violator School Monitoring
Division: Office of Executive Management

MISSION:

Administer the Traffic Violator School Monitoring Program for the County of Los Angeles as required for compliance with the Vehicle Code of the State of California, Section 11205.

MAJOR OBJECTIVES FOR FY 2004-05:

1. Provide employment opportunities for Public Housing Recipients, Section 8 Recipients and participants of the Department of Public Social Services' Back to Work Program.
2. Conduct on-site and/or telephone monitorings of each traffic violator school on the County's Classroom Location List, which includes Internet-based schools, at least once every 90 days.
3. Audit each traffic violator school's business office on an annual basis.
4. Provide copies of all monitoring and audit reports to the Department of Motor Vehicles and Superior Court.
5. Publish referral list of the County's approved traffic violator schools on a quarterly basis.
6. Respond to all inquiries and complaints within 15 working days.

PROGRAM BUDGET INFORMATION:

	<u>2003-04 BUDGET</u>	<u>2003-04 ESTIMATE</u>	<u>2004-05 BUDGET</u>
Salary and Benefits	\$680,400	\$679,300	\$867,800
Non-Personal Services	\$330,800	\$331,900	\$393,400
Subventions	\$0	\$0	\$0
Capital Outlay	\$1,000	\$1,000	\$3,000
Transfers	\$54,600	\$54,600	\$202,600
TOTAL	<u>\$1,066,800</u>	<u>\$1,066,800</u>	<u>\$1,466,800</u>
Number of Regular Employees	11.00	11.00	13.10
Number of Contract Employees	3.00	3.00	3.00

ATTACHMENT

B

RESOLUTION APPROVING THE FISCAL YEAR 2004-2005
BUDGET OF THE HOUSING AUTHORITY OF THE
COUNTY OF LOS ANGELES

WHEREAS, the Board of Commissioners of the Housing Authority of the County of Los Angeles has received the Budget for Fiscal Year 2004-2005 and has found:

1. That the proposed expenditures are necessary for the efficient and economical operation of housing programs for the purpose of serving low-income families.
2. That the financial plan is reasonable in that:
 - (a) It indicates a source of funding adequate to cover all proposed expenditures.
 - (b) It does not provide for use of federal funding in excess of that payable under the provisions of 24 Code of Federal Regulations Section 990.
3. That all proposed rental charges and expenditures will be consistent with provisions of law and the Annual Contributions Contracts with the U.S. Department of Housing and Urban Development.
4. That no employee serving in a variety of positions is reflected in the operating budget as serving an aggregate amount of time exceeding 100 percent.
5. That the U.S. Department of Housing and Urban Development requires that the use of Section 8 Operating Reserve funds for other housing purposes, in the amount of \$50,000 or greater, must be approved by the Board of Commissioners.

WHEREAS, it is necessary for the Board of Commissioners of the Housing Authority of the County of Los Angeles to adopt an annual budget.

NOW, THEREFORE, the Board of Commissioners of the Housing Authority of the County of Los Angeles, hereby resolves as follows:

1. The above recitals are true and correct.
2. The Housing Authority of the County of Los Angeles adopts the following budgeted revenues and appropriations for Fiscal Year 2004-2005, as set forth in the Annual Budget for the Housing Authority of the County of Los Angeles:

Estimated Funding	<u>\$268,751,500</u>
Expenditure and Reserve Appropriations:	<u>\$268,751,500</u>

3. That the use of Section 8 Operating Reserve funds for other housing purposes, in the amount of \$50,000 or greater, must be approved by the Board of Commissioners.
4. This Resolution shall take effect immediately.

ATTEST:
VIOLET VARONA-LUKENS
Executive Officer-Clerk of
the Board of Commissioners

By: _____
Deputy

THE HOUSING AUTHORITY OF THE
COUNTY OF LOS ANGELES

By: _____
Chair

APPROVED AS TO FORM:
LLOYD W. PELLMAN
County Counsel

By: _____
Deputy

ATTACHMENT

C

PHA/IHA Board Resolution

Approving Operating Budget or Calculation of
Performance Funding System Operating Subsidy

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0026 (Exp. 6/30/2001)

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

This information is required by Section 6(c)(4) of the U.S. Housing Act of 1937. The information is the operating budget for the low-income housing program and provides a summary of proposed/budgeted receipts and expenditures, approval of budgeted receipts and expenditures, and justification of certain specified amounts. HUD reviews the information to determine if the operating plan adopted by the PHA and the amounts are reasonable and that the PHA is in compliance with procedures prescribed by HUD. Responses are required to obtain benefits. This information does not lend itself to confidentiality.

Acting on behalf of the Board of Commissioners of the below-named Public Housing Agency (PHA)/Indian Housing Authority (IHA), as its Chairman, I make the following certifications and agreements to the Department of Housing and Urban Development (HUD) regarding the Board's approval of (check one or more as applicable):

(date)

- ☐ Operating Budget Submitted on: _____
- ☐ Operating Budget Revision Submitted on: _____
- ☐ Calculation of Performance Funding System Submitted on: _____
- ☐ Revised Calculation of Performance Funding System Submitted on: _____

I certify on behalf of the: (PHA/IHA Name) _____
that:

1. All regulatory and statutory requirements have been met;
2. The PHA has sufficient operating reserves to meet the working capital needs of its developments;
3. Proposed budget expenditures are necessary in the efficient and economical operation of the housing for the purpose of serving low-income residents;
4. The budget indicates a source of funds adequate to cover all proposed expenditures;
5. The calculation of eligibility for Federal funding is in accordance with the provisions of the regulations;
6. All proposed rental charges and expenditures will be consistent with provisions of law;
7. The PHA/IHA will comply with the wage rate requirements under 24 CFR 968.110(e) and (f) or 24 CFR 905.120(c) and (d);
8. The PHA/IHA will comply with the requirements for access to records and audits under 24 CFR 968.110(i) or 24 CFR 905.120(g); and
9. The PHA/IHA will comply with the requirements for the reexamination of family income and composition under 24 CFR 960.209, 990.115 and 905.315.

I hereby certify that all the information stated within, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Board Chairman's Name (type)	Signature	Date
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**HOUSING AUTHORITY
of the County of Los Angeles**

Administrative Office
2 Coral Circle • Monterey Park, CA 91755
323.890.7801 • www.lacdc.org

Gloria Molina
Yvonne Brothwaite Burke
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

Carlos Jackson
Executive Director

April 28, 2004

Honorable Housing Commissioners
Housing Authority of the
County of Los Angeles
2 Coral Circle
Monterey Park, California 91755

Dear Commissioners:

**APPROVE SUPPORT SERVICES AGREEMENT WITH NORSTAN
COMMUNICATIONS, INC. (ALL DISTRICTS)**

IT IS RECOMMENDED THAT YOUR COMMISSION:

1. Recommend that the Board of Commissioners find that the Support Services Agreement between the Housing Authority and Norstan Communications, Inc. is exempt from the National Environmental Policy Act (NEPA) and is not subject to California Environmental Quality Act (CEQA), as described herein, because the proposed Agreement will not have the potential for causing a significant effect on the environment.
2. Recommend that the Board of Commissioners approve and authorize the Executive Director of the Housing Authority to execute a one-year Support Services Agreement with Norstan Communications, Inc., in substantially the form of the attached, to provide support services and upgrades for the Cisco Voice Over Internet Protocol (VOIP) Telephony system and Call Center application, at a cost of \$143,827, to be effective following approval as to form by County Counsel and execution by all parties.
3. Recommend that the Board of Commissioners authorize the Executive Director to execute amendments to the Agreement to extend the time of performance for a maximum of two years, in one-year increments, at a cost of \$74,144 per year, following approval as to form by County Counsel.
4. Recommend that the Board of Commissioners authorize the Executive Director to incorporate \$143,827 into the 2003-2004 Housing Authority annual approved budget.

5. Recommend that the Board of Commissioners authorize the Executive Director to execute amendments to the Agreement, following approval as to form by County Counsel, to increase the contract sum, to include any unforeseen services or customizations required and to use for this purpose a maximum of \$28,766 from the source of funds described above.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The Support Services Agreement will provide upgrades to the Cisco VOIP Telephony system and Call Center application and ensure that the Housing Authority continues to receive system management and technical support services.

FISCAL IMPACT/FINANCING:

There is no impact on the County general fund. The Agreement will be funded with \$143,827 to be incorporated into the Housing Authority's approved Fiscal Year 2003-2004 budget. If extended, the second and third years of the Agreement will each be funded with \$74,144. A 20 percent contingency, in the amount of \$28,766, is also being set aside for unforeseen services and customizations that may be required.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

On January 29, 2002, the Board authorized the Housing Authority to implement the Cisco VOIP Telephony system and Call Center application at the Assisted Housing Division, located at 12131 Telegraph Road, Santa Fe Springs. The VOIP Telephony system converges the telephone and data networks into one unit, providing a significant cost savings over conventional telephone systems by allowing the Housing Authority's Network Administrators to move, add and delete telephone lines without incurring additional costs from the telephone company. The combination of the telephone system and data network also allows telecommuters to listen to their voice messages from computer speakers.

The Call Center application allows the Housing Authority to customize the telephone menu options presented to Section 8 Program applicants and recipients, and ensures the proper routing of telephone calls. Section 8 Program applicants can also use the Call Center to access information regarding the status of their application.

Under the Agreement, Norstan Communications, Inc. will provide upgrades for the Cisco VOIP Telephony system and Call Center application. The upgrade for the Cisco VOIP Telephony system will increase system reliability and reduce downtime, as well as provide enhanced reporting and tracking of telephone calls. The enhanced call reporting and tracking will allow the Housing Authority to conduct an analysis of the volume of incoming calls and where they are routed. This analysis will allow for the proper allocation of staff and resources, so Section 8 Program applicants and participants can be better served.

The upgrade for the Call Center application will move the application to a web-based environment, which provides real-time reporting. In addition, the database will be upgraded to a new database platform, as Microsoft, Corp. has announced plans to phase out the existing database used by the application.

Norstan Communications, Inc. will also provide technical support for the Cisco VOIP Telephony system and Call Center application 24 hours-a-day, seven days-a week. The firm will troubleshoot any issues with the hardware or applications, conduct regular visits to analyze system performance, and provide any needed updates or system enhancements.

The Agreement has been reviewed by County Counsel. In addition, the Housing Authority's recommendation to approve the Support Services Agreement is being reviewed by the County Chief Information Officer (CIO).

ENVIRONMENTAL DOCUMENTATION

This Agreement is exempt from the provisions of NEPA pursuant to 24 Code of Federal Regulations Part 58, Section 58.34 (a)(3) because it involves administrative activities that will not have a physical impact or result in any physical changes to the environment. It is not subject to the provisions of CEQA pursuant to State CEQA Guideline 15060 (c)(2) because the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment.

CONTRACTING PROCESS:

On March 5, 2004, the Housing Authority issued a Request for Proposals (RFP) to identify a firm to provide support services for the Cisco VOIP Telephony system and Call Center application. Advertisements appeared in seven newspapers and on the County Web Site. In addition, the Housing Authority's vendor list was used to mail a letter to 54 firms that provide telecommunication services, informing them of the RFP and the website from which the RFP could be downloaded.

On March 23, 2004, three proposals were received and formally opened.

On March 24, 2004, a panel consisting of Housing Authority and Community Development Commission staff familiar with the project evaluated the proposals and ranked each firm independently. The Housing Authority determined that Norstan Communications, Inc. was the most qualified firm based on criteria stated in the Request for Proposals.

Norstan Communications, Inc. is a Cisco Certified Silver Partner and specializes in support services related to Internet Protocol Telephony systems, with a combination of 30 years of experience in the industry of telecommunications and data convergence.

IMPACT ON CURRENT SERVICES AND PROJECTS:

The Cisco VOIP Telephony system and Call Center application are critical to the Housing Authority's business. Any technical problems must immediately be attended to by authorized persons to eliminate extended downtime of the telephone system and disruption of service to Section 8 Program customers. If the proposed upgrades are not performed, enhanced call tracking reports will not be available, making it difficult to properly allocate staff and resources to the greatest areas of need in the Assisted Housing Division.

Respectfully submitted,


for CARLOS JACKSON
Executive Director

CJ:NorstanBL_HC

Attachments: 2

ATTACHMENT A

SUMMARY OF OUTREACH ACTIVITIES

CISCO VOIP TELEPHONY SYSTEM AND CALL CENTER APPLICATION SUPPORT SERVICES AGREEMENT

On March 5, 2004, the following outreach was initiated to identify vendors to provide support services for the Housing Authority's Cisco VOIP Telephony system and Call Center application.

A. Newspaper Advertising

Announcements appeared in the following seven local newspapers:

Daily News Los Angeles
International Daily News
La Opinion
Los Angeles Times

Los Angeles Sentinel
Press Telegram
WAVE Community Newspapers

An announcement was also posted on the County Web Site.

B. Distribution of Request For Proposal (RFP) Packets

The complete RFP package was posted on the County Web Site, and available for download by the public. In addition, the Housing Authority's vendor list was used to mail a letter to 54 firms that provide telecommunication services, informing them of the RFP and the website from which the RFP could be downloaded.

C. Request For Proposal Results

On March 23, 2004, a total of three proposals were received and publicly opened. The bid results are as follows:

Company

SBC DataComm, Inc.	\$238,337.00
Norstan Communications, Inc.	\$201,116.00
NCR	Non-Responsive due to non-compliance to RFP requested format

D. Review of Proposals

On March 24, 2004 a review panel consisting of Housing Authority and Community Development Commission staff familiar with the project reviewed

the proposals and ranked each firm independently. The bid submitted by NCR was deemed non-responsive, due to non-compliance to the RFP format and submission requirements. Based on criteria stated in the Request for Proposals, Norstan Communications, Inc. is being recommended for award of the Support Services Agreement.

E. Minority/Female Participation – Firm Selected

<u>Name</u>	<u>Ownership</u>	<u>Employees</u>
Norstan Communications, Inc.	Non-Minority	Total: 1234 94 minorities 394 women 8% minority 32% women

F. Minority/Female Participation – Firm Not Selected

<u>Name</u>	<u>Ownership</u>	<u>Employees</u>
SBC DataComm	Non-Minority	Total: 48,016 24,841 minorities 23,400 women 52% minority 49% women

The Housing Authority conducts ongoing outreach to minorities and women in the contract award process, including: providing information at local and national conferences; conducting seminars for minorities and women regarding programs and services; advertising in newspapers to invite placement on the vendor list; and mailing information to associations representing minorities and women. The above information has been voluntarily provided to the Housing Authority.

The recommended award of contract is being made in accordance with the Housing Authority's policies, and without regard to race, creed, color, or gender.

**SUPPORT SERVICES AGREEMENT
BETWEEN
THE HOUSING AUTHORITY OF THE COUNTY OF LOS ANGELES
AND NORSTAN COMMUNICATIONS, INC.**

This Support Services Agreement (hereinafter "Agreement") is made and entered into this _____ day of _____, 2004 by and between the Housing Authority of the County of Los Angeles (hereinafter "the Housing Authority") and Norstan Communications, Inc. is a California corporation (hereinafter "Norstan" or "Contractor").

RECITALS

WHEREAS, Contractor is a Cisco Certified Partner and specializes in technical support of products developed by Cisco Systems, Inc. (hereinafter "Cisco"), including but not limited to the Cisco Voice Over Internet Protocol Telephony system and Call Center application;and

WHEREAS, Contractor has been selected to provide support services for Cisco products, including system management, technical support and system upgrades as a result of a Request for Proposals (RFP No. Cisco VOIP Wrap Around Maintenance and Support).

NOW, THEREFORE, based on the foregoing Recitals and in consideration of the mutual covenants set forth herein, the Housing Authority and Contractor agree as follows:

TERMS AND CONDITIONS

1. APPLICABLE DOCUMENTS

1.1 Interpretation

1.1.1 The provisions of this document along with Exhibits A, B, C, D, E and F attached hereto and described in Paragraph 2.1.2 below, to the extent applicable to the Support services provided under this Agreement, collectively form and throughout and hereinafter are referred to as the "Agreement".

1.1.2 In the event of any conflict or inconsistency in the definition or interpretation of any word, responsibility, schedule, or the contents or description of any task, subtask, deliverable, goods, service or other work, or otherwise between and/or among this document and/or the Exhibits,

such conflict or inconsistency, shall be resolved by giving precedence first to this document as the body of this Agreement, and then to the Exhibits thereto, according to the following order of priority:

1. Exhibit A – Norstan's Periodic Services Policy
2. Exhibit B - Statement of Work
3. Exhibit C – Project Schedule
4. Exhibit D – Fee Schedule
5. Exhibit E – Required Forms and Certifications
6. Exhibit F - IRS Notice 1015: Earned Income Credit Fact Sheet
7. Exhibit G – Safely Surrendered Baby Law Fact Sheet

2. DEFINITIONS

The terms and phrases in this Paragraph 2 in bold and in quotation, shall have the meanings set forth below when used in this Agreement throughout and hereafter.

2.1 Business Day(s); business day(s)

"**Business Day(s)**" or "**business day(s)**", whether used with initial capitalization or not, whether singular or plural, means Monday through Friday, excluding the Housing Authority holidays.

2.2 Contractor

"**Contractor**" means the Housing Authority of the County of Los Angeles.

2.3 Contract Sum

"**Contract Sum**" means the maximum monetary amount payable by the Housing Authority to Contractor under this Agreement, as set forth in Paragraph 5.1 (Contract Sum).

2.4 County

"**County**" means the County of Los Angeles, California.

XX Customization

"**Customization**" means the Housing Authority may at any time and from time to time during the term of this Agreement, request customizations of the reporting features of the VOIP or Call Center systems. Upon such request by the Housing Authority, Contractor shall submit a scope of work (hereinafter "Scope of Work") and a quote for the requested modifications (hereinafter "Customization(s)").

Housing Authority will review such scope of work and quote and recommend and/or request any revisions thereto. If approved by the Housing Authority in writing, following such approval, the Housing Authority and Contractor will execute an Amendment to this Agreement in accordance with Paragraph 11 (Change Notices and Amendments).

2.5 Day(s): day(s)

"Day(s)" or "day(s)", whether used with initial capitalization or not, whether singular or plural, means calendar day(s) and not business day(s), unless otherwise expressly specified.

2.6 Documentation

"Documentation" means the formal printed-paper manuals and/or online versions that include descriptive materials and screen displays of all applicable screens and screen choices in the application software.

2.7 Effective Date

"Effective Date" has the meaning set forth in Paragraph 4 (Term).

2.8 Housing Authority

"Housing Authority" means the Housing Authority of the County of Los Angeles, California.

2.10 State

"State" means the State of California.

2.11 System Configuration

"System Configuration" means the hardware peripherals, cabling, local area network and other communications devices related to the physical installation.

2.12 Third Party Software

"Third Party Software" means any software not developed by Contractor.

3. STANDARD OF SERVICES

Contractor shall provide its support services and upgrades of Cisco products under this Agreement in accordance with the industry standards prevailing at the time the support services are rendered. In the event that failure by Contractor to comply with the provisions of this Paragraph 3 amounts to a material breach of

Contractor's support services obligations under this Agreement, the Housing Authority may, in its sole discretion, terminate this Agreement pursuant to and in accordance with Paragraph 19 (Termination for Default).

4. TERM

This Agreement shall commence on the day and year first above written (hereinafter the "Effective Date") and shall remain in full force and effect for twelve (12) months (hereinafter the "Initial Term"), unless sooner terminated, in whole or in part, as provided herein. At the end of the Initial Term or any Extended Term (as defined in this Paragraph 4 below), the Housing Authority may extend this Agreement automatically, without further act, for up to two (2) consecutive twelve-month periods (hereinafter "Extended Term(s)"), up to and through year 2007, unless, no later than thirty (30) days prior to the expiration of the Initial Term or any Extended Term, the Housing Authority notifies Contractor in writing that it intends not to extend this Agreement any further. The term shall be deemed extended upon payment by the Housing Authority of Norstan's invoice for the upcoming extension period.

5. COMPENSATION AND INVOICES

5.1 Contract Sum

5.1.1 The Contract Sum under this Agreement shall be the total monetary amount payable by the Housing Authority to Contractor for providing services specified under this Agreement.

The Contract Sum for this Agreement, authorized by the Housing Authority hereunder, shall not exceed Two Hundred and Ninety-Two Thousand, One Hundred and Fifteen dollars (\$292,115). The Contract Sum for the first contract year shall not exceed One Hundred and Forty-Three Thousand, Eight Hundred and Twenty-Seven dollars (\$143,827). The Contract Sum for Year 2 and Year 3 shall not exceed Seventy-Four Thousand, One Hundred and Forty-Four dollars (\$74,144) per year.

6. INVOICES

6.1 General

Contractor shall invoice the Housing Authority for services specified in Exhibit B (Statement of Work) in accordance with Paragraph 5.1.1, Exhibit D (Fee Schedule) and the terms of this Agreement. Contractor shall submit the invoices to the following address, unless otherwise directed by the Housing Authority:

Mr. Yui Cheng, Director
Financial Management Division
The Housing Authority
of the County of Los Angeles
2 Coral Circle
Monterey Park, CA 91755

6.2 Sales/Use Tax

The Contract Sum shown in Paragraph 5.1 (Contract Sum) above shall be deemed to include all amounts necessary for the Housing Authority to reimburse Contractor for all applicable California and other state and local sales/use taxes on support services procured by the Housing Authority pursuant to, or otherwise due as a result of, this Agreement. All California sales/use taxes shall be paid directly by Contractor to the State or other taxing authority. Contractor shall be solely liable and responsible for any and all such California and other state and local sales/use taxes billed by Contractor to the Housing Authority and paid by the Housing Authority to Contractor in accordance with this Agreement. In the event Contractor fails to pay such California or any other state or local sales/use tax, Contractor shall immediately reimburse the Housing Authority for any and all tax amounts paid by the Housing Authority as a result of such failure and any attorneys' fees, including costs, associated therewith.

7. PAYMENTS

Contractor shall be paid in accordance with the Housing Authority's standard accounts payable system. The Housing Authority will pay Contractor's invoices within thirty (30) calendar days of receipt and approval thereof. In the event the Housing Authority fails to pay an undisputed invoice within a thirty-day (30) period, Contractor shall provide a notice to the Housing Authority of such failure, upon receipt of which the Housing Authority shall cure the non-payment within thirty (30) calendar days from the later of: (i) the receipt of the notice or (ii) the expiration of the current support services term. Failure to cure within such thirty-day (30) period by the Housing Authority shall constitute a breach by the Housing Authority, upon which Contractor may suspend or terminate this Agreement.

8. NO PAYMENT FOR SERVICES PROVIDED FOLLOWING EXPIRATION OR TERMINATION OF AGREEMENT

Subject to the provisions of Paragraph 19 (Termination for Default), Contractor shall have no claim against the Housing Authority for payment of any money or reimbursement, of any kind whatsoever, for any service provided by Contractor after the expiration or other termination of this Agreement, including the Housing Authority's election not to renew this Agreement for any additional support services term in accordance with this Agreement. Should Contractor receive any

such payment, it shall immediately notify the Housing Authority and shall immediately repay all such funds to the Housing Authority. Payment by the Housing Authority for services rendered after expiration or termination of this Agreement shall not constitute a waiver of the Housing Authority's right to recover such payment from Contractor. This provision shall survive the expiration or other termination of this Agreement. Contractor has no obligation to provide services beyond the expiration of the current support services term.

9. TERMINATION FOR IMPROPER CONSIDERATION

The Housing Authority may, by written notice to the Contractor, immediately terminate the right of the Contractor to proceed under this Agreement, if it is found that consideration, in any form, was offered or given by Contractor, either directly or through an intermediary, to any Housing Authority officer, employee or agent with the intent of securing this Agreement or securing favorable treatment with respect to the award, amendment or extension of this Agreement or the making of any determinations with respect to the Contractor's performance pursuant to this Agreement. In the event of such termination, the Housing Authority shall be entitled to pursue the same remedies against the Contractor as it could pursue in the event of default by the Contractor.

The Contractor shall immediately report any attempt by the Housing Authority officer or employee to solicit such improper consideration. The report shall be made either to the Housing Authority's Executive Director or designee.

Among other items, such improper consideration may take the form of cash, discounts, service, the provision of travel or entertainment, or tangible gifts.

10. WARRANTY

Contractor warrants that its support services shall be performed in accordance with the industry standards prevailing at the time the services are rendered and the applicable warranty provided in the License Agreement.

11. CHANGE NOTICES AND AMENDMENTS

- 11.1** No representative of either the Housing Authority or Contractor, including those named in this Agreement, is authorized to make any changes in any of the terms, obligations or conditions of this Agreement, except through the procedures set forth in this Paragraph 11.
- 11.2** For any change requested by the Housing Authority which does not affect the scope of work, term, payments, or any term or condition included in this Agreement, a Change Notice shall be prepared and executed by the Housing Authority's Executive Director, upon mutual agreement of both parties.

- 11.3 Except as otherwise provided in this Agreement, for any change requested by the Housing Authority which affects the scope of work, term, payments, or any term or condition included in this Agreement, a negotiated written Amendment to this Agreement shall be approved and executed by the Housing Authority's Executive Director if within his delegated authority and Contractor's authorized representative, upon mutual agreement of both parties.

11.4 **Facsimile**

Except for the parties' initial signatures to this Agreement, which must be provided in "original" form and not by facsimile, the Housing Authority and Contractor hereby agree to regard facsimile representations of original signatures of authorized officials of each party, when appearing in appropriate places on the Change Notices prepared pursuant to this Paragraph 11 and received via communications facilities, as legally sufficient evidence that such original signatures have been affixed to Change Notices to this Agreement, such that the parties need not follow up facsimile transmissions of such documents by subsequent (non-facsimile) transmissions of "original" versions of such documents.

12. **SUCCESSORS AND ASSIGNMENT**

This Agreement may not be assigned except with the prior written consent of the parties, which consent shall not be unreasonably withheld. In the event of any assignment of this Agreement by Contractor, Contractor shall provide the Housing Authority with a commercially reasonable notice, at least thirty (30) days prior to such proposed assignment.

13. **CONFIDENTIALITY**

Contractor, and its officers, employees, agents and subcontractors, shall keep confidential all of its reports, records, data and information received, including, but not limited to, billing and the Housing Authority records, prepared or assembled pursuant to the performance hereunder. Such information shall not be made available to any person, firm, corporation or entity without the prior written consent of the Housing Authority, subject to applicable law.

14. **SOURCES AND APPROPRIATION OF FUNDS**

The Housing Authority's obligation is payable only and solely from funds appropriated through the U.S. Department of Housing and Urban Development (HUD) for the purpose of this Agreement. All funds are appropriated every fiscal year beginning July 1.

In the event this Agreement extends into succeeding fiscal years and funds have not been appropriated, this Agreement will automatically terminate as of June 30 of

the current fiscal year. The Housing Authority will endeavor to notify Contractor in writing within ten (10) days of receipt of non-appropriation notice.

15. INDEMNIFICATION

Contractor agrees to indemnify, defend and save the Housing Authority harmless from and against any and all losses or damages to tangible property or from any loss or damage arising from bodily injury, including death, when, and to the extent, such losses or damages are caused by Contractor's negligence or that of Contractor's agents or subcontractors provided that the Housing Authority gives Contractor prompt written notice of any such claim.

15a. LIABILITY

If either party is not substantially complying with the terms of this Agreement, the other party may give written notice of such failure to perform. The non-complying party will be in compliance if, within ten (10) days after receiving such notice, it either corrects its performance or commences a continuous good faith effort to correct its performance within a reasonable period of time.

Upon Contractor's default, Contractor will only be liable for: a) liabilities referred to in Sections 15 and 15c.; and b) the amount of any other direct damage the Housing Authority may incur, up to the Price (or twelve (12) months of recurring charges for Periodic Services) for the Product or Services that caused the damage. If an action is commenced for the enforcement of any rights under this Agreement, the prevailing party shall be entitled to receive its reasonable legal fees and related expenses. The above limitations apply regardless of the legal theory upon which the claim is based.

Upon the Housing Authority's default, the Housing Authority will only be liable for: a) damages arising under Section 15b.; and b) for Periodic Services, all sums owing for the remaining term, not to exceed twelve (12) months of recurring charges; and c) the amount of any other direct damage Contractor may incur. In addition, Contractor may immediately cease performance.

IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS, DATA OR SAVINGS), INCIDENTAL DAMAGES OR PUNITIVE DAMAGES, EVEN IF THAT PARTY IS INFORMED OF THEIR POSSIBILITY.

15b. SOFTWARE LICENSE

Contractor grants to the Housing Authority a non-exclusive, fully paid, perpetual license to use the Software, but only in conjunction with the equipment or Product with which it is licensed and installed. The Housing Authority

acknowledges and agrees that it shall have no title or ownership rights to such Software.

The Housing Authority agrees to abide by and/or execute any software license agreement required by Cisco, or required by Cisco to receive a Product update, enhancement or new release and said provisions of the software license agreement shall be in addition to the terms and provisions contained in this Section 15b..

The Housing Authority acknowledges and agrees that the Software is a trade secret of Cisco and/or Contractor. The Housing Authority agrees to take all reasonable precautions to protect the trade secret nature of the Software and to prevent its disclosure to unauthorized personnel. The Housing Authority may make one back-up copy of the Software, but agree not to otherwise copy, modify, translate, reverse compile, decompile or reverse engineer the Software.

15c. INFRINGEMENT INDEMNIFICATION

This Section sets forth Contractor's entire obligation to the Housing Authority regarding claims of patent, copyright or trademark infringement.

If a third party claims that a Product provided hereunder infringes a patent, copyright or trademark, Contractor will indemnify and defend you against such claim and pay all costs, damages and reasonable attorneys' fees, provided that you promptly notifies us in writing of the claim.

If such a claim is made or appears likely to be made, the Housing Authority agrees to permit Contractor to enable the Housing Authority to continue to use the Product or to modify or replace it. If neither of these alternatives is reasonably available in the Contractor's judgment, the Housing Authority agrees to return the Product to Contractor upon Contractor's written request. Contractor will then give the Housing Authority a credit equal to the Housing Authority's net book value for the Product provided the Housing Authority has followed generally accepted accounting principles.

Contractor will have no obligation regarding any claim of infringement based upon a Product which is a) modified; b) combined, operated or used with any product, data, apparatus, software or program not provided by us; c) a result of your design specifications; or d) located outside the United States or Puerto Rico. No costs or expenses shall be incurred for our account without our prior written consent.

16. NEWS RELEASES

Contractor shall issue no news releases naming the Housing Authority without the prior written consent of Housing Authority's Executive Director, and then only in coordination with Housing Authority.

17. DATE AND TIME COMPLIANCE

Contractor certifies that the Software is compliant to properly handle date/time functions.

18. THE HOUSING AUTHORITY'S QUALITY ASSURANCE PLAN

The Housing Authority will evaluate Contractor's performance under this Agreement on not less than an annual basis. Such evaluation will include assessing Contractor's compliance with all contract terms and performance standards. Contractor deficiencies which are severe or continuing and that may place performance of the Agreement in jeopardy, if not corrected, will be reported to the Board of Commissioners. The report will include improvements/corrective action measures taken by the Housing Authority and Contractor. If improvement does not occur consistent with the corrective measure, the Housing Authority may terminate this Agreement, pursuant to Paragraph 19, or seek other remedies as specified in this Agreement.

19. TERMINATION FOR DEFAULT

The Housing Authority may, by written notice to Contractor, terminate the whole or any part of this Agreement if (i) Contractor has failed to comply with any provision of this Agreement, amounting to a default by Contractor or (ii) Contractor breached a material support services provision and such breach has not been cured within ten (10) days of written receipt of notice of such breach and description thereof. Upon receipt of notice of such election, Contractor shall pay to Housing Authority an amount equal to the pro-rata portion of the then current support services fees paid to, but unearned by, Contractor.

19.1. TERMINATION FOR CONVENIENCE

The Housing Authority reserves the right to cancel this Agreement for any reason at all upon thirty (30) days prior written notice to Contractor. In the event of such termination, Contractor shall be entitled to a prorated portion paid for all satisfactory work unless such termination is made for cause, in which event, compensation if any, shall be adjusted in such termination.

20. **CONTRACTOR'S WARRANTY OF ADHERENCE TO THE HOUSING AUTHORITY'S CHILD SUPPORT COMPLIANCE PROGRAM**

Contractor acknowledges that the Housing Authority has established a goal of ensuring that all individuals who benefit financially from the Housing Authority through contract are in compliance with their court-ordered child, family and spousal support obligations in order to mitigate the economic burden otherwise imposed upon the taxpayers.

Contractor shall during the term of this Agreement maintain compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or District Attorney Notices of Wage and Earnings Assignment for Child or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

21. **TERMINATION FOR BREACH OF WARRANTY TO COMPLY WITH THE HOUSING AUTHORITY'S CHILD SUPPORT COMPLIANCE PROGRAM**

Failure of Contractor to maintain compliance with the requirements set forth in Paragraph 20 (Contractor's Warranty of Adherence to the Housing Authority's Child Support Compliance Program) shall constitute a default by Contractor under this Agreement. Without limiting the rights and remedies available to County under any other provision of this Agreement, failure to cure such default within ninety (90) days of notice by the Los Angeles County Child Support Services Department (hereinafter "CSSD") shall be grounds upon which the Housing Authority's Board of Commissioners may terminate this Agreement pursuant to Paragraph 19 (Termination For Default).

22. **POST MOST WANTED DELINQUENT PARENTS LIST**

Contractor acknowledges that the Housing Authority places a high priority on the enforcement of child support laws and the apprehension of child support evaders. Contractor understands that it is the Housing Authority's policy to encourage all the Housing Authority contractors to voluntarily post an entitled "L.A.'s Most Wanted: Delinquent Parents" poster in a prominent position at Contractor's place of business. The CSSD will supply Contractor with the poster to be used.

23. **NOTICE TO EMPLOYEES REGARDING THE SAFELY SURRENDERED BABY LAW**

The Contractor shall notify and provide to its employees, and shall require each subcontractor to notify and provide to its employees, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and

where and how to safely surrender a baby. The fact sheet is set forth in Exhibit G (Safely Surrendered Baby Law Fact Sheet) of this Contract and is also available on the Internet at www.babysafela.org for printing purposes.

24. CONTRACTOR'S ACKNOWLEDGMENT OF HOUSING AUTHORITY'S COMMITMENT TO THE SAFELY SURRENDERED BABY LAW

The Contractor acknowledges that the Housing Authority places a high priority on the implementation of the Safely Surrendered Baby Law. The Contractor understands that it is the Housing Authority's policy to encourage all Housing Authority Contractors to voluntarily post the Housing Authority's "Safely Surrendered Baby Law" poster in a prominent position at the Contractor's place of business. The Contractor will also encourage its Subcontractors, if any, to post this poster in a prominent position in the Subcontractor's place of business. The County's Department of Children and Family Services will supply the Contractor with the poster to be used.

25. SUBCONTRACTING

The Contractor may subcontract only those specific portions of work allowed in the original specifications covered by this Agreement with prior written approval by the Housing Authority.

The Contractor shall not subcontract any part of the work covered by this Agreement or permit subcontracted work to be further subcontracted without prior written approval by the Housing Authority.

26. INDEPENDENT CONTRACTOR STATUS

26.1 This Agreement is by and between the Housing Authority and Contractor and not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between the Housing Authority and Contractor. The employees and agents of one party are not and shall not be, or construed to be, the employees or agents of the other party for any purpose whatsoever. Contractor shall function as, and in all respects is, an independent contractor.

26.2 Contractor shall be solely liable and responsible for providing all compensation and benefits to, or on behalf of, all persons performing work pursuant to this Agreement. The Housing Authority shall have no liability or responsibility for the payment of any salaries, wages, unemployment benefits, disability benefits, Federal, State or local taxes, or other compensation, benefits or taxes for any personnel provided by or performing work on behalf of Contractor.

26.3 The employees and agents of Contractor or any of its subcontractors shall, while on the premises of the Housing Authority, comply with all rules and regulations of

the premises provided by the Housing Authority or known to Contractor, including, but not limited to, security requirements, and applicable Federal and State Laws.

27. INSURANCE

Contractor shall procure and maintain at Contractor's expense for the duration of this Agreement the following insurance against claims for injuries to persons or damage to property, which may arise from or in connection with the performance of the work by the Contractor, its agents, representatives, employees or subcontractors.

- A. **GENERAL LIABILITY INSURANCE** (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following:

General Aggregate	\$2,000,000
Products/Completed Operations Aggregate	\$1,000,000
Personal and Advertising Injury	\$1,000,000
Each Occurrence	\$1,000,000

The Housing Authority of the County of Los Angeles ("the Housing Authority"), the Community Development Commission of the County of Los Angeles (the "Commission"), the County of Los Angeles ("County"), and their officials and employees, shall be covered as insured with respect to: liability arising out of activities performed by or on behalf of the Contractor; products and completed operations of the Contractor; premises owned, leased or used by the Contractor.

- B. **AUTOMOBILE LIABILITY INSURANCE** (written on ISO policy form CA 00 01 or its equivalent) with a limit of liability of not less than \$1 million for each incident. Such insurance shall include coverage of all "owned", "hired" and "non-owned" vehicles, or coverage for "any auto".
- C. **WORKERS' COMPENSATION and EMPLOYER'S LIABILITY** insurance providing workers' compensation benefits, as required by the Labor Code of the State of California.

In all cases, the above insurance also shall include Employer's Liability coverage with limits of not less than the following:

Each Accident	\$1,000,000
Disease-policy limit	\$1,000,000
Disease-each employee	\$1,000,000

- D. **PROFESSIONAL LIABILITY INSURANCE** in the amount of \$1 million per occurrence and aggregate.

Any self-insurance program and self-insured retention must be separately approved by the Housing Authority.

Each insurance policy shall be endorsed to state that coverage shall not be canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice has been given to the Housing Authority.

Acceptable insurance coverage shall be placed with carriers admitted to write insurance in California or carriers with a rating of or equivalent to A: VIII by A.M. Best & Company. Any deviation from this rule shall require specific approval in writing by the Housing Authority.

All coverage for subcontractors shall be subject to the requirements stated herein and shall be maintained at no expense to the Housing Authority.

Contractor shall furnish the Housing Authority with certificates of insurance and with original endorsements affecting coverage as required above. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

Failure on the part of the Contractor to procure or maintain insurance required by this Agreement shall constitute a material breach of contract upon which the Housing Authority may immediately terminate this Agreement.

28. EMPLOYEES OF CONTRACTOR

Professional Conduct: The Housing Authority does not and will not condone any acts, gestures, comments or conduct from Contractor's employees, agents or subcontractors which may be construed as sexual harassment or any other type of activities or behavior that might be construed as harassment. The Housing Authority will properly investigate all charges of harassment by residents, employees or agents of the Housing Authority against any and all Contractor's employees, agents or subcontractors providing services for the Housing Authority. Contractor assumes all liability for the actions of Contractor's employees and subcontractors acting as agents for purposes of this Agreement and is responsible for taking appropriate action after reports of harassment are received by Contractor.

29. DRUG-FREE WORKPLACE ACT OF THE STATE OF CALIFORNIA

Contractor certifies under penalty of perjury under the laws of the State of California that Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990.

30. SAFETY STANDARDS AND ACCIDENT PREVENTION

Contractor shall comply with all applicable federal, state and local laws governing safety, health and sanitation.

31. COMPLIANCE WITH LAWS

Contractor agrees to be bound by applicable federal, state and local laws, regulations, and directives as they pertain to the performance of this Agreement. This Agreement is subject to and incorporates the terms of the Housing and Community Development Act of 1974, as amended by the Cranston-Gonzalez National Affordable Housing Act, 1990, and the 24 CFR Part 85. If the compensation under this Agreement is in excess of \$100,000 then Contractor shall comply with applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. 18579h)), section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency Regulations (40 CFR Part 15).

Contractor must obtain and present all relevant state and local insurance, training and licensing pursuant to services required within this Agreement.

Contractor shall comply with the following laws in Sections 32-41, inclusive.

32. CIVIL RIGHTS ACT OF 1964, TITLE VI (NON-DISCRIMINATION IN FEDERALLY-ASSISTED PROGRAMS)

Contractor shall comply with the Civil Rights Act of 1964 Title VI which provides that no person shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

33. SECTION 109 OF THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974

Contractor shall comply with Section 109 of the Housing and Community Development Act of 1974 which states that no person in the United States shall, on the grounds of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this title.

34. AGE DISCRIMINATION ACT OF 1975 AND SECTION 504 OF THE REHABILITATION ACT OF 1973

Contractor shall comply with the Age Discrimination Act of 1975 and section 504 of the Rehabilitation Act of 1973, which require that no person in the United States shall be excluded from participating in, denied the benefits of, or subject to

discrimination under this Agreement on the basis of age or with respect to an otherwise qualified disabled individual.

35. **EXECUTIVE ORDER 11246 AND 11375, EQUAL OPPORTUNITY IN EMPLOYMENT (NON-DISCRIMINATION IN EMPLOYMENT BY GOVERNMENT CONTRACTORS AND SUBCONTRACTORS)**

Contractor shall comply with Executive Order 11246 and 11375, Equal Opportunity in Employment, which requires that during the performance of this Agreement, the Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated fairly during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of the non-discrimination clause.

Contractor will, in all solicitations or advertisements for employees placed by or on behalf of Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.

Contractor will send to each labor union or representative of workers with which he has a collective bargaining Agreement or other contract or understanding, a notice to be provided by the agency of the Contractor's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment. Contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations and relevant orders of the Secretary of Labor.

Contractor will furnish all information and reports required by the Executive Order and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the Housing Authority and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.

In the event of Contractor's noncompliance with the non-discrimination clauses of this Agreement or with any of such rules, regulations or orders, this Agreement may be canceled, terminated or suspended in whole or in part and Contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in the Executive Orders and such other sanctions may be imposed and

remedies invoked as provided in the Executive Order or by rule, regulation or order of the Secretary of Labor, or as otherwise provided by law.

Contractor will include the provisions of these paragraphs in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of the Executive Order No. 11246 of September 24, 1965, that such provisions will be binding upon each subcontractor or vendor. Contractor will take such actions with respect to any subcontract or purchase order as the Housing Authority may direct as a means of enforcing such provisions including sanctions for noncompliance, provided however, that in the event Contractor becomes involved in, or is threatened with litigation by a subcontractor or vendor as a result of such direction by the Housing Authority, Contractor may request the United States to enter into such litigation to protect the interests of the United States.

36. CONSIDERATION OF GAIN PARTICIPANTS FOR EMPLOYMENT

Should Contractor require additional or replacement personnel after the effective date of this Agreement, Contractor shall give consideration for any such employment openings to participants in the County's Department of Public Social Services' Greater Avenues for Independence (GAIN) Program who meet Contractor's minimum qualifications for the open position. Contractor shall contact the County's GAIN Division at (626) 927-5354 for a list of GAIN participants by job category.

37. FEDERAL LOBBYIST REQUIREMENTS

- A. *Federal Lobbyist Requirements:* The Contractor is prohibited by the Department of Interior and Related Agencies Appropriations Act, known as the Byrd Amendments, and HUD's 24 CFR Part 87, from using federally appropriated funds for the purpose of influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, loan or cooperative Agreement, and any extension, continuation, renewal, amendment or modification of said documents.

The Contractor must certify in writing on the Federal Lobbyist Requirements Certification form that they are familiar with the Federal Lobbyist Requirements and that all persons and/or subcontractors acting on behalf of the Contractor will comply with the Lobbyist Requirements.

Failure on the part of the Contractor or persons/subcontractors acting on behalf of the Contractor to fully comply with the Federal Lobbyist Requirements may be subject to civil penalties.

38. NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT

Contractor shall notify its employees, and shall require each subcontractor to notify its employees, that they may be eligible for the Federal Earned Income Credit under the federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in Internal Revenue Service Notice 1015.

39. USE OF RECYCLED-CONTENT PAPER PRODUCTS

Contractor agrees to use recycled-content paper to the maximum extent possible on the project.

40. CONTRACTOR RESPONSIBILITY AND DEBARMENT

- A. A responsible contractor is a contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the contract. It is the policy of the Housing Authority to conduct business only with responsible contractors.
- B. Contractor is hereby notified that, if the Housing Authority acquires information concerning the performance of Contractor on this or other contracts which indicates that Contractor is not responsible, the Housing Authority may, in addition to other remedies provided in the contract, debar Contractor from bidding on the Housing Authority contracts for a specified period of time not to exceed three (3) years, and terminate any or all existing contracts the Contractor may have with the Housing Authority.
- C. The Housing Authority may debar a contractor if the Housing Authority's Board of Commissioners finds, in its discretion, that the contractor has done any of the following: (1) violated any term of a contract with County, the Housing Authority, (2) committed any act or omission which negatively reflects on Contractor's quality, fitness or capacity to perform a contract with County, the Housing Authority or any other public entity, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against County, the Housing Authority or any other public entity.
- D. If there is evidence that Contractor may be subject to debarment, the Housing Authority will notify Contractor in writing of the evidence which is the basis for the proposed debarment and will advise Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.

- E. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. Contractor and/or Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a proposed decision, which shall contain a recommendation regarding whether Contractor should be debarred, and, if so, the appropriate length of time of the debarment. If Contractor fails to avail itself of the opportunity to submit evidence to the Contractor Hearing Board, Contractor may be deemed to have waived all rights of appeal.
- F. A record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to the Housing Authority's Board of Commissioners. The Board of Commissioners shall have the right to modify, deny or adopt the proposed decision and recommendation of the Contractor Hearing Board.
- G. These terms shall also apply to subcontractors and sub-consultants of the Housing Authority contractors.

41. COMPLIANCE WITH JURY SERVICE PROGRAM

Written Employee Jury Service Policy

1. It is Housing Authority's policy that unless Contractor has demonstrated to the Housing Authority's satisfaction either that Contractor is not a "Contractor" as defined below or that Contractor qualifies for an exception, Contractor shall have and adhere to a written policy that provides that its Employees (as defined below) shall receive from Contractor, on an annual basis, no less than five (5) days of regular pay for actual jury service. The policy may provide that Employees deposit any fees received for such jury service with the Contractor or that Contractor deducts from the Employee's regular pay the fees received for jury service.
2. For purposes of this Paragraph 41, "Contractor" means a person, partnership, corporation or other entity which has a contract with the Housing Authority or a subcontract with the Housing Authority contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more County or the Housing Authority contracts or subcontracts. "Employee" means any California resident who is a full time employee of Contractor. "Full time" means forty (40) hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by the Housing Authority, or 2) Contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of

ninety (90) days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program. If Contractor uses any subcontractor to perform services for the Housing Authority under this Agreement, the subcontractor shall also be subject to the provisions of this Paragraph 41. The provisions of this Paragraph 41 shall be inserted into any such subcontract agreement and a copy of the Jury Service Program shall be attached to the agreement.

3. If Contractor is not required to comply with the Jury Service Program when Contract commences, Contractor shall have a continuing obligation to review the applicability of its "exception status" from the Jury Service Program, and Contractor shall immediately notify the Housing Authority if Contractor at any time either comes within the Jury Service Program's definition of "Contractor" or if Contractor no longer qualifies for an exception to the Program. In either event, Contractor shall immediately implement a written policy consistent with the Jury Service Program. The Housing Authority may also require, at any time during the Agreement and at its sole discretion, that Contractor demonstrate to the Housing Authority's satisfaction that Contractor either continues to remain outside of the Jury Service Program's definition of "Contractor" and/or that Contractor continues to qualify for an exception to the Program.
4. Contractor's violation of this Paragraph 41 may constitute a material breach of this Agreement, upon which the Housing Authority may, in its sole discretion, terminate this Agreement and/or bar Contractor from the award of future the Housing Authority contracts for a period of time consistent with the seriousness of the breach, not to exceed three (3) years.

42. ACCESS AND RETENTION OF RECORDS

Contractor shall provide access to the Housing Authority, the Federal Grantor agency, the Comptroller General of the United States, or any of their duly authorized representatives to any books, documents, papers and records of Contractor which are directly pertinent to this Agreement for the purpose of making audits, examinations, excerpts and transcriptions.

Contractor is required to retain the aforementioned records for a period of five (5) years after the Housing Authority pays final payment and other pending matters are closed under this Agreement.

43. CONFLICT OF INTEREST

No the Housing Authority employee whose position with the Housing Authority enables such employee to influence the award of this Agreement or any competing

agreements, and no spouse or economic dependent of such employee, shall be employed in any capacity by Contractor or have any other direct or indirect financial interest in this Agreement. No officer or employee of Contractor, who may financially benefit from the performance of work hereunder, shall in any way participate in County's approval or ongoing evaluation of such work, or in any way attempt to unlawfully influence the Housing Authority's approval or ongoing evaluation of such work.

Contractor shall comply with all conflict of interest laws, ordinances and regulations now in effect or hereafter to be enacted during the term of this Agreement. Contractor represents that, to the best of its knowledge, it is not aware of any facts, which do or could create a conflict of interest. If a party hereafter becomes aware of any facts, which might reasonably be expected to create a conflict of interest, it shall immediately make full written disclosure of such facts to the Housing Authority. Full written shall include, but is not limited to, identification of all persons implicated and a complete description of all relevant circumstances.

44. SEVERABILITY

In the event that any provision herein contained is held to be invalid, void or illegal by any court of competent jurisdiction, the same shall be deemed severable from the remainder of this Agreement and shall in no way affect, impair or invalidate any other provision contained herein. If any such provision shall be deemed invalid due to its scope or breadth, such provision shall be deemed valid to the extent of the scope or breadth permitted by law.

45. INTERPRETATION

No provision of this Agreement is to be interpreted for or against either party because that party or that party's legal representative drafted such provision, but this Agreement is to be construed as if drafted by both parties hereto.

46. WAIVER

No breach of any provision hereof can be waived unless in writing. Waiver of any one breach of any provision shall not be deemed to be a waiver of any breach of the same or any other provision hereof.

47. PATENT RIGHTS

The Housing Authority will hold all the patent rights with respect to any discovery or invention which arises or is developed in the course of, or under this Agreement.

48. COPYRIGHT

No report, maps, or other documents produced in whole or in part under this Agreement shall be the subject of an application for copyright by or on behalf of the Contractor. All such documents become the property of the Housing Authority and the Housing Authority holds all the rights to said data.

49. NOTICES

The Housing Authority shall provide Contractor with notice of any injury or damage arising from or connected with services rendered pursuant to this Agreement to the extent that the Housing Authority has actual knowledge of such injury or damage. The Housing Authority shall provide such notice within ten (10) days of receiving actual knowledge of such injury or damage.

Notices provided for in this Agreement shall be in writing and shall be addressed to the person intended to receive the same, at the following address:

The Housing Authority: Ms. Rebecca Craigo, Director
Assisted Housing Division
The Housing Authority
of the County of Los Angeles
12131 Telegraph Road
Santa Fe Springs, CA 90670-3722

Contractor: General Manager
Norstan, Inc.
17770 Cartwright Road, Suite 110
Irvine, CA 92614

Notices addressed as above provided shall be deemed delivered three (3) business days after mailed by U.S. Mail or when delivered in person with written acknowledgement of the receipt thereof. Contractor and the Housing Authority may designate a different address or addresses for notices to be sent by giving written notice of such change of address to all other parties entitled to receive notice.

50. CONTINGENT FEES

Contractor represents that no person or selling agency has been employed or retained to solicit or secure this Agreement upon any agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by Contractor for the purpose of securing business.

51. GOVERNING LAW, JURISDICTION AND VENUE

This Agreement shall be governed by, and construed in accordance with, the substantive and procedural laws of the State of California applicable to agreements made and to be performed within the State. Contractor agrees and consents to the exclusive jurisdiction of the courts of the State of California for all purposes regarding this Agreement and further agrees and consents that venue of any action brought hereunder shall be exclusively in the County of Los Angeles, California. As with respect to claims that are subject to exclusive Federal subject matter jurisdiction, Contractor agrees and consents to the exclusive jurisdiction of the Federal District Court of the Central District of California.

52. NO THIRD PARTY BENEFICIARIES

Notwithstanding any other provision of this Agreement, Contractor and the Housing Authority do not in any way intend that any person or entity shall acquire any rights as a third party beneficiary of this Agreement, except that this provision shall not be construed to diminish Contractor's indemnification obligations hereunder.

53. SURVIVAL

The following provisions of this Agreement shall survive its expiration or termination for any reason:

- 13 (Confidentiality);
- 15 (Indemnification);
- 42 (Access and Retention of Records);
- 44 (Severability);
- 51 (Governing Law, Jurisdiction and Venue).

54. ENTIRE AGREEMENT

The body of this Agreement, together with the Recitals and all Exhibits thereto, constitutes the complete and exclusive agreement between the parties and supersedes all previous and contemporaneous agreements, whether written or oral, and any and all communications and negotiations relating to the subject matter of this Agreement.

SIGNATURES

IN WITNESS WHEREOF, the Contractor and the Housing Authority have executed this Agreement through their duly authorized officers this _____ day of _____, 2004.

HOUSING AUTHORITY
OF THE COUNTY OF LOS ANGELES

NORSTAN COMMUNICATIONS, INC.

By _____
Carlos Jackson
Executive Director

By _____
Title _____

APPROVED AS TO FORM:
OFFICE OF THE COUNTY COUNSEL

APPROVED AS TO PROGRAM:
ASSISTED HOUSING DIVISION

By _____
Deputy

By _____
Rebecca Craigo
Director

Exhibit A: Norstan's Periodic Services Policy

This Exhibit A describes our Periodic Services Policy for the Periodic Services which you ordered. The terms, conditions and features for such Periodic Services, which include any Service Plans referenced in Exhibit B may vary depending on the location where the Service is provided and we will notify you if this occurs.

1. TERM OF SERVICES

The initial term for the Periodic Services will be noted in this Agreement and renewed automatically at the end of the initial term at the rates described in Exhibit D (Fee Schedule) for successive terms equal to the initial term unless either party gives the other thirty (30) days prior written notice of its intent not to renew. We may modify the terms of this Exhibit A upon sixty (60) days prior written notice which shall become effective unless you notify us otherwise in writing at least thirty (30) days prior thereto.

2. COVERAGE HOURS

Coverage Hours are from 8:00 a.m. to 5:00 p.m., Monday through Friday excluding our recognized holidays, unless otherwise noted in the Service Plan referenced on Schedule A. You may change Coverage Hours consistent with your current Service Plan at the beginning of any billing period with a minimum of thirty (30) days prior written notice.

3. NORSTAN RESPONSIBILITIES

We will prepare a Schedule A listing the Products which will be covered under this Periodic Services Policy. The Product listing and the corresponding invoice amount may be adjusted at our option every thirty (30) days to reflect any inventory changes.

We will perform and respond to all calls for Corrective Maintenance placed during coverage hours in accordance with the applicable Service Plan(s) referenced on the Schedule A. Time will be measured on coverage days only. All maintenance may be performed on-site or from a remote location as determined by us.

We will provide new parts or like-new parts necessary to repair the Products. All replaced defective parts will become our property. Tools, test equipment and maintenance materials necessary for performance of the Periodic Services will be provided by us.

Our obligations are subject to manufacturer's discontinuation of Product(s) and/or Services. In such event, we agree to meet with you to discuss alternative solutions and pricing which may include, but are not limited to, alternative products, T&M maintenance, or upgrades.

We will change the maintenance level passwords in accordance with our established security policy. These passwords are for the use of our service personnel. We may provide this password to the manufacturer of the Product only for escalated technical support from the manufacturer. If you elect to complete manufacturer certification, we will create a system administration password for your use to perform agreed upon tasks with the database configuration as outlined within our security policy. Except as noted herein, the parties agree not to disclose these passwords without obtaining the prior written consent of the other party.

Norstan's responsibilities shall be provided in accordance with Norstan's standard practices, including but not limited to the implementation and utilization of remote access. Variations from Norstan's standards requested by the Customer may be subject to an additional charge. Norstan shall provide prior notice to the Customer of any additional charges under this section which shall be mutually agreed to by the parties.

4. CUSTOMER RESPONSIBILITIES

You shall designate one individual and an alternate to be responsible for coordinating and reporting service calls to us and for assisting us in identifying and/or isolating problems as reasonably requested by us. You agree to permit or arrange for access to the Premises for our service personnel and to provide remote access to the Products for service purposes. In addition, you agree to provide space at or near the Products for storage of miscellaneous pieces, parts and drawings, and to furnish adequate utilities and building services as reasonably required by us at your expense.

For Convergence and Voice Products, you will be responsible, if requested, to provide an up-to-date directory listing for all telephones indicating extension number, name of employees, functional title, and location.

For CTI/IDN Products, you shall provide a Norstan-approved power conditioner to support the contracted network server and other critical components. It is your responsibility to maintain backup media, systems and procedures sufficient to meet your internal restoration time requirements.

In the event of your default under this Periodic Services Policy or the applicable Schedule A, and in addition to our other remedies, we may immediately cease performance.

5. ENVIRONMENTAL CONDITIONS

As a precondition to our duty to provide Periodic Services, you agree to provide and maintain the Premises in compliance with all applicable laws and regulations and according to the environmental specifications established by us and/or the manufacturer. If either party becomes aware of asbestos, hazardous materials or concealed conditions on your Premises, such party agrees to notify the other party promptly, and it shall be your responsibility to correct all such conditions.

We reserve the right to cease performing Services after notice to you if, in our reasonable judgment, our ability to perform such Services properly and safely is unduly hampered by your acts or omissions, or workplace conditions on the Premises.

You acknowledge that the Products serviced here under are by no means invulnerable to network interference or to fraudulent or unauthorized calls or access, and any such charges shall be your responsibility.

6. RELOCATION OF PRODUCTS

Upon ninety (90) days prior written notice, you may, at your expense, relocate and re-install the Products. If re-installation occurs within the established travel zone of one of our offices, this Periodic Services Policy will remain in effect. If re-installation of a Product(s) is beyond any such

established travel zone, this Periodic Services Policy shall terminate for such Product(s) without further obligation or liability to either party, except for payments then due through the relocation date or ninety (90) days after notice, whichever is later.

7. BILLABLE SERVICE/EXCLUSION FROM SERVICE

In addition to the charges set forth on Schedule A, you will be billed at our current T&M rates for service performed by us due to any of the following circumstances:

a) Your failure to follow our and/or the manufacturer's maintenance or operation instructions for the Product; b) theft, strikes, riots, vandalism, acts of war, lightning, water, fire and other perils; c) work performed by persons other than our personnel or without our supervision; d) shock, corrosive atmosphere, electrical damage, accident, air conditioning or humidity control failure; e) service calls necessitated by products not serviced by us; f) normal wear and tear of disposable items such as headsets, magnetic tapes, wet cell batteries, and operating media; g) service requested outside of Coverage Hours or on an expedited basis; h) time required to identify or isolate a problem due to a patch, alteration or repair made by you without our prior written consent; i) any cause other than your ordinary and proper use of the Products; or j) backup restoration time.

We reserve the right, at your expense and at our current T&M rates, to inspect any product that has not been serviced by us immediately prior to the Effective Date of this Periodic Services Policy and to require that any nonconforming product meet our and/or the original manufacturer's specifications.

If you permit access to the internal components of the Products to anyone other than our employees, agents or subcontractors without our prior written permission, we may, in addition to any other remedies, cancel this Periodic Services Policy, and all future service will be provided at our then current T&M rates.

Services done by any 3rd party service organization other than Norstan employees, agents or subcontractors will void the Norstan maintenance contract.

Labor and materials for moves, adds and changes are not included in this Periodic Services Policy.

Exhibit B: Statement of Work

PART A. MAINTENANCE AND TECHNICAL SUPPORT

I. Overview

This document describes the Remote Management Services that the Housing Authority of the County of Los Angeles (Customer) will be provided by Norstan Communications, Inc. (Norstan) related to Cisco based products. In particular, Voice over IP and Contact Center components such as Call Manager, Unity Personal Assistant, ICM, Cisco Agent Desktop, CTI-OS, Emergency Responder application software and the networking infrastructure such as switches and routers as described in section III. These services focus on the debugging and troubleshooting of supporting aforementioned Cisco based products.

The Remote Management Support plan includes the following:

- ✓ 24 x 365 technical support
- ✓ Service Level Agreements (SLAs) based on priority level definitions
- ✓ 1st and 2nd level Norstan remote technical support coupled with dispatch of on-site assistance, if contracted.
- ✓ Escalation to Cisco 3rd and 4th level support based on severity and duration of the problem per the purchased Cisco SmartNet contract.
- ✓ Remote access via Virtual Private Network (VPN) connectivity or otherwise agreed upon method to the Customer network is required
- ✓ Automated device/application polling, health monitoring and reporting
- ✓ Managed device configuration control

II. Required Information

Execution of Remote Management Service requires a minimum of 30 calendar days from the date of contract signature for implementation of agreed service levels. During this period, Norstan and Customer will verify the following:

- (a) Confirm call flow processes, service level agreements, escalation guidelines and fault notification parameters.
- (b) Agree upon Customer and Norstan roles and responsibilities.
- (c) Agree upon Customer's technology which may include software Applications, LAN/WAN protocols, internetworking devices, servers, PBX's, network topology and 3rd party integration points.
- (d) If applicable, obtain and document all 3rd party service level agreements associated with Customer's technology that are consistent with Norstan's SLA's.
- (e) Agree upon change control responsibilities and best current practices.
- (f) Hardware and software inventory, any and all information required by Norstan for successful access and research to be loaded into Norstan's database.
- (g) Gather Customer contacts and location for each site covered under this agreement.
- (h) Confirm on-site support arrangements per Periodic Services Schedule A, which may be a combination of Norstan, Customer or a third party support provider. This will be in addition to the Cisco SMARTnet coverage for the parts delivery as depicted in Periodic Services Schedule A.

- (i) Baseline software versions for Customer specific applications.
- (j) Provisioning of a VPN or other agreed upon management circuit between the Customer and Norstan's Customer Solution Center and operations center. Testing of communication paths between the Customer's network and Norstan's Customer Solution Center and operations center.
- (k) Confirm technical and management escalation guidelines.
- (l) Configuration of the Norstan Remote management collection station or any appropriate specialized tools to include SNMP agent instrumentation, polling cycle instrumentation, critical health indicators, determination and on-line reporting configuration.
- (m) Establishing baseline network utilization, utilization thresholds and system alarming levels.

III. Service Descriptions and Support Definitions

Contract period, terms, conditions, equipment and software applications included are defined in Periodic Services Schedule A and Periodic Services Policy.

- Automated fault case creation
 - Remote Management infrastructural components automatically propagate device faults (availability and threshold). These faults trigger creation of trouble cases which are automatically dispatched to the correct support tier. Fault detection is performed using SNMP enabled management applications or specialized tools. Fault propagation to Norstan's operation center is performed via a secure middleware over VPN/frame relay circuits. SNMP management consoles are integrated with back-end ticketing systems to automatically populate new fault cases with pertinent information. As part of the Norstan remote management infrastructure, on-line, web enabled tools are available to both the Customer and Norstan. These tools enable real-time monitoring of infrastructure health on the part of the Customer along with real-time, remote trouble shooting and clearing on the part of Norstan. In particular, within ICM environments, specialized tools are deployed to monitor ICM application and component health. This monitoring is integrated within the Norstan remote management infrastructure to offer a holistic monitoring approach to Cisco ICM environments.
- Customer Fault Notification
 - Notification to Customer within an SLA defined period of time utilizing an agreed upon mode of notification (i.e. pager, email, phone, etc.)
- Initiation of service requests to toll-free 800# or Norstan's Web
 - Customer dials 800-676-8800 or accesses the Norstan Customer Solution Center (CSC) website (<http://www.norstan.com/Support/CSCcom.htm>), enters their Customer number and selects the product for which they are calling. Norstan strongly recommends that the Web access method not to be used for Priority 1 calls to guarantee response within SLA's. Norstan's web interface allows you to include information such as log files or error messages which can provide valuable background to the CSC.
- Norstan Solution Center service hours are 24 hours X 365 days.
- Maintenance coverage for Cisco hardware and software via a Cisco SMARTnet contract is required. The service levels of the SMARTnet contract must align with the Norstan support plan to ensure service level agreements are met.
- If contracted, provide on-site coverage for problem resolution.
- Norstan as a single point of contact will track issue to resolution
 - Norstan provides product specialists to manage the Customer's support request from initiation to confirmation of problem resolution. All required interaction with the service providers, related to the particular issue, will be handled by Norstan. Norstan personnel

gather, update new incident data and access Customer's information from a centralized ticketing system. Documented and executed shift transition processes ensure seamless problem ownership.

➤ **Trouble Ticket based priority and Service Level Agreement commitments.** The classifications and response times are as follows:

- **Priority 1** – Customer's production network or application is down causing critical impact to business operations if service is not restored quickly. These problems severely affect service and require immediate corrective action as viewed by the Customer upon discussion with Norstan. Norstan CSC product specialist will respond and begin troubleshooting within 15 minutes of a trouble ticket creation to all Priority 1 issues.
- **Priority 2** – Customer's production network or application is severely degraded impacting significant aspects of business operations. These problems seriously affect system operation, maintenance and administration but are less urgent than in Priority 1 situations because of a lesser immediate or impending effect on system performance. Norstan CSC Product specialist will respond and begin troubleshooting within 2 hours of a trouble ticket creation to all Priority 2 issues.
- **Priority 3** – End User's network performance or application is degraded. Network functionality is noticeably impaired but most business operations continue. These problems do not significantly impair the functioning of the system and do not affect service to end Customers. Norstan CSC specialist will respond and begin troubleshooting within 4 hours of a trouble ticket creation to all Priority 3 issues.
- **Priority 4** – End User requires information or assistance on Cisco products, installation or configuration. Norstan will respond within the next business day hours with trouble ticket creation to all Priority 4 issues.

➤ **Problem troubleshooting and technical escalation**

- Norstan CSC engineers will perform first and second level trouble shooting and dispatch on-site technical staff, diagnostic tools, and replacement parts, as necessary, to augment the troubleshooting activity. This activity will be consistent with Norstan's internal technical escalation guidelines. (refer to section IV)
- Tickets automatically created via the Remote Management Architecture are processed initially by the Frontline Support tier. Typical skill sets include the ability to perform fundamental diagnostics on issues such as power failures, WAN circuit/carrier outages and basic device configurations.
- Typical skill sets of the first level technical staff include providing conventional hardware and Software configuration, installation, assist in configuring the system for collecting and reviewing detailed log files, and upgrade support.
- Typical skill sets of the second level technical staff include providing resolution to a majority of mis-configurations; troubleshooting and simulating complex configurations. Support problem isolation and determination of software specific defects.

➤ **Management escalation**

- Customer management as well as Norstan management will be kept abreast of the problem resolution status per Norstan management escalation guidelines or specific guidelines agreed upon with the Customer. (refer to section IV)

➤ **Escalation to Cisco Technical Assistance Center (TAC)**

- This escalation is based on Norstan and Cisco defined escalation paths. After level 2 support experience has been exhausted and per defined escalation paths, Norstan will interact with the Cisco TAC to obtain third and fourth level, in-depth/detailed product

support and development engineering. Norstan retains ownership, updates trouble ticket documentation and provides the Customer with updates throughout their interaction with manufacturer TAC engagements.

- Troubleshoot Hardware and Software including Interoperability and Compatibility Issues
 - Due to the nature of the IPT, IPCC Express, IPCC Enterprise or ICM solution, there may be interactions with Customer's existing data network and/or existing circuit switch (TDM) based voice network. In addition, Customer may choose to add other applications (not included in Periodic Services Schedule A or modified after Periodic Services Schedule A was agreed upon) on the IPT networking infrastructure. Under these conditions, Norstan will assist Customers in troubleshooting to the best of our ability with no response time or SLA commitments. This effort will be limited to one hour of assistance per instance. If additional assistance is required, T&M based service is available, (refer to section VI)
- Troubleshoot CTL/IVR application developed by Norstan:
 - The CSC will troubleshoot to verify the proper functionality of the application per original SoW and the hardware and software versions. If the problem is determined to be the result of Customer made modifications and/or upgrades, the hours spent will be billed. Consultation for additional enhancements (e.g. modify call flow, reconcile standard report discrepancies, etc.) is available on a T&M Basis (refer to section VI)
- Norstan software support will be limited to the current software versions supported by Cisco. End of life software versions from Cisco will be supported on a T&M basis.
- Problem resolution through bug fixes
 - During the troubleshooting process, as bug fixes are identified, Norstan will provide Cisco corrected software (hot fixes) to the Customer as needed to resolve the issue. Under certain circumstances, installation of the hot fix may require scheduled down time and Customer resources. Norstan's Service Plan includes assistance with installation of the corrected software and hot fixes will be the responsibility of the Customer.
- Manufacturer certified lab available for problem simulation and troubleshooting.
 - Norstan's Cisco product lab provides an environment for problem simulation and validation to reproduce and aid in troubleshooting problems on Cisco supported version of hardware and software. Interoperability and compatibility issues can be replicated through the various technology platforms represented within the lab-IOS and Catalyst platforms, AVVID architecture, IPCC Express, IPCC Enterprise and ICM.
 - Norstan's lab environment meets Cisco qualifications for Certified Advanced Technology Partner (ATP), Silver Partnership level and IPT-revised and IPT-services specializations.
- Norstan will assign a single point of contact to perform the following functions:
 - Act as escalation point for ongoing technical issues.
 - Attend Customer meetings and conference calls for periodic review of trouble tickets, SLA adherence and change review
 - Verify Norstan's documentation set is current and consistent with Customers existing network.
 - Analyze and research trouble ticket patterns as they relate to the application, network topology and configuration
 - Recommend software upgrades that may be appropriate for the Customer environment
 - Perform root cause analysis of priority one issues
- Conduct wellness visits:
 - Discuss overall health and performance of the solution
 - Offer recommendations of the hardware, software or configuration changes based upon service history.
 - Provide updates on system enhancements and/or new software versions.

- Discuss any significant changes in the Customer's business or service objective that may require additional project activity or changes to this service plan.
 - Discuss new solutions and products based upon current and changing business needs.
 - Wellness visits may be performed remotely or on-site.
- Move, Add and Change (MACs) –Technical assistance to the Customer to implement minor/major network and telephony changes. Some examples are port changes, routing schemes, procurement and design of data switches or routers within the Customer's environment. Time limits apply per contracted in support plan. If additional assistance is required, Norstan will provide this assistance on a T&M basis. (Refer to section VI)
- On-line graphical reporting
- On-line graphical reporting is delivered to the Customer via the collection station. Reporting includes such metrics as CPU utilization, interface utilization and disk utilization. Historical reporting as well as real-time polling is available.

IV. Comparative Analysis of Service Plans

Technical Escalations

All timelines listed are the maximum time spent at each level

	Initial Response	Frontline *	Level 1	Level 2	Level 3 & 4 (Vendor)
P1	15 Minutes	5 Minutes	25 Minutes	90 Minutes	3 Hours
P2	2 Hours	10 Minutes	50 Minutes	120 Minutes	6 Hours
P3	4 Hours	15 Minutes	100 Minutes	180 Minutes	12 Hours
P4	Next Business Day	N/A	N/A	N/A	N/A

Time**Management Escalations**

	Notification to Customer *	CSC Product Manager Branch Support Manager	CSC Senior Manager Senior Operations Manager Sales Representative	CSC Director VP of Operations
P1	15 Minutes	90 Minutes	120 Minutes	180 Minutes
P2	30 Minutes	180 Minutes	240 Minutes	300 Minutes
P3	N/A	N/A	N/A	N/A
P4	N/A	N/A	N/A	N/A

* FOR REMOTE MANAGEMENT SUPPORT PLAN ONLY

Remote Management Support Plan Overview

Service Entitlements	
Single Point of Contact Resource Assigned	√
Root Cause Analysis of Priority One Issues	√
Troubleshoot Hardware and Software including Interoperability and Compatibility Issues	1 hour per instance
Wellness Visits	Quarterly
Remote Moves, Adds and Changes	1 hour per day
Service Partner Management	√
Application Consultation	√
Graphical On-Line Capacity for Problem/Solution Testing	√
Manufacturer Certified Lab for Problem/Solution Testing	√
Maintenance Releases of IOS Software	√
Escalation to Manufacturer Technical Assistance	√
Escalation to all Applicable Norstan Support Groups	√
Dispatch On-Site Assistance (If Contracted)	√
Advanced Hardware/Software Troubleshooting	√
Automated Fault Presentation, Isolation and Resolution	√
Proactive 24x365 Remote Monitoring	√
Automated Fault Case Creation	√
Priority Queuing	√
Perform Remote Diagnostics	√
WEB-Enabled Trouble Ticket Initiation and Tracking	√
Access to Technical Assistance Center	Unlimited, 24x365

V. Responsibilities

Norstan and Customer responsibilities are described below.

The Customer will be responsible for the following:

Training:

- Customer is responsible for attending certified Cisco training on products applicable to their technology solution.

Logistics:

- Designation of contact (s) to employ remedial measures as reasonably requested by Norstan to resolve issues remotely, if possible.
- Establish a point of contact that will provide support to on-site support technicians.
- Knowledge of operating system and possess administrative responsibilities for the network.
- Knowledge of call flows, routing rules and applications.

Remote Access:

- Provide Norstan with remote access capabilities that conform to Norstan VPN standards or otherwise agreed upon method, including updating Norstan with current logins and passwords. Remote Access is required for adhering to defined response times. Response time will be best effort if remote and network access is not in place.

LAN/WAN environment:

- Customer will be responsible for all PC and LAN/WAN connections, meeting Quality of Service (QoS) requirements defined by Cisco and any existing telco circuit changes or upgrades. All LAN, VLAN, and WAN designs, schemes and naming conventions are already designed.
- Understand any special security limitations or restrictions which exist on the system and inform Norstan.

Operations and business procedures:

- Proper and reliable procedures for storage, retrieval and backup of the device's media, and current configuration files. System regression, acceptance testing and authorized test plans that reflect operational and functional capabilities of the device prior to failure.
- Norstan's service response times do not include back up restoration time.
- Initiated changes that impact existing applications of the network topology and/or architecture affect Norstan's ability to support the network. Within one week as such, Customers must provide documentation updates to Norstan to ensure Norstan support documents are updated and kept current.
- Follow recommendations from manufacturer as it relates to hardware, software, network and peripheral configurations.
- Support of any changes that affect custom application software on their solution.
- Maintenance coverage for Cisco hardware and software via a Cisco SMARTnet contract is required and may be purchased through Norstan. The service levels of the SMARTnet contract must align with the Norstan support plan to ensure service level agreements are met.
- If you permit access to the internal components of the Products to any 3rd party service organization other than Norstan employees, agents, or subcontractors without our prior written permission, we may, in addition to any other remedies, cancel this Periodic Services Policy, and all future service will be provided at our then current T&M rates.
- Services done by any 3rd party service organization other than Norstan employees, agents or subcontractors will void the Norstan maintenance contract.

Norstan will be responsible for the following:

- Equipment and software application components depicted on the Periodic Services Schedule A.
- Providing new software updates and releases per the guidelines of the Cisco SMARTnet and SAU/SASU contracts associated with this support contract.
- Support of configuration issues defined as follows:
 - Operating software versions as originally installed and configured or updated by Norstan.
 - IOS as originally installed and configured or updated by Norstan.
 - Application software as originally installed and configured or updated by Norstan.
- If contracted, provide on-site coverage for problem resolution. Examples of times when on-site coverage will be provided are:
 - Observation of contact center activity will aid in resolving the service issue in a more expeditious manner.
 - When monitoring and/or collecting system activity logs requires an on-site resource.
 - Securing the latest known reliable backup of the failed device (IOS image, IOS configuration, data files, configuration files, etc.)
 - Device power down, parts replacement and device power up
 - OS level integrity checking (OS reinstallation/re-imaging and patching if required)
 - System configuration restoration from backup media, system regression and acceptance testing.

Norstan will not be responsible for the following:

- If a Customer chooses to implement changes that cause their hardware and/or software configurations to be out of compliance with the manufacturer recommendations, Norstan will not be responsible for support of that device.
- Costs incurred for resolving application performance issues as a result of Customer implemented configuration changes.
- If Customer initiates a TAC ticket with the vendor, Norstan will not be responsible for its resolution in per contracted SLA's directly with the meeting or the manufacturer or a third party vendor.
- Support or integration issues of any equipment not specifically mentioned within this contract or supported by another Norstan contract. This includes PBX systems, data infrastructure, third party equipment and all accompanying software.

VI. The following services are not included in the Remote Management Support Plan; however, Norstan can deliver these incremental and optimization services on a project and/or engagement basis.

- **Custom reports**—Norstan can support Customers in all phases of developing customized reports. These phases can include (but are not limited to) requirements generation, report design, metric collection, data consolidation and presentation. Example reports would be capacity/trending analysis and root cause analysis.
- **Product or Software upgrades**—Norstan can support Customers by providing all phases of product and software upgrades including, utilization analysis, and preplanning.
- **Network and System design**—Norstan can support Customers by providing auditing, planning and upgrade services. These services include initial capacity analysis and requirements generation with the Customer. Infrastructure readiness assessments, design, development, deployment quality assurance and testing, and Customer acceptance.
- **Routine system maintenance**—Norstan can provide routine support maintenance of your infrastructure i.e. system backups, configuration and security maintenance.

- **Database Administration**— Norstan can provide technical input related to Cisco software processes and their optimization with underlying databases. Norstan can support/perform such database maintenance operations as table indexing and optimization, database trimming and backups.
- **Application Consultation:** Norstan can provide technical support related to the Customers applications that include troubleshooting call flow/scripting issues and delays in performance of CTI application, reconciliation of standard report discrepancies, and assistance in ensuring integrity of new scripting changes.
- **Managed Services** – Norstan can offer a combination of on-site resources and processes to facilitate the support and administration of the Customer's technology environment. These services are not limited to the Cisco portfolio.

Acceptance

Signature on deliverable documentation indicates that Customer has reviewed the document and accepts responsibility for the contents.

Norstan Communications, Inc.

By: _____

Name: _____

Title: _____

Date: _____

{Customer}

By: _____

Name: _____

Title: _____

Date: _____

PART B. CISCO AVVID ENVIRONMENT UPGRADE

1.0 OVERVIEW AND HISTORY

Housing Authority has a Cisco AVVID Solution deployed in production that includes two Call Manager servers, a Unity voice-messaging server, and an IP/IVR server. Housing Authority would like to upgrade their AVVID environment to take advantage of the new features.

Housing Authority has asked Norstan Communications, Inc. (Norstan) to provide the following services in relation to the existing Cisco AVVID environment:

- Cisco Call Manager 3.1 to 3.3.3, Publisher and Subscriber
- Upgrade Cisco Unity 3.1 to 4.0
- Upgrade Cisco IP/IVR server
- Verify infrastructure components for correct Cat IOS and IOS versions for interoperability with the new environment

This document will serve as the statement of work for this engagement.

2.0 PROJECT OBJECTIVES AND SCOPE

2.1 Objectives

The objective of this engagement is to upgrade Housing Authority's Cisco AVVID environment.

2.2 Scope

The *scope* of this engagement encompasses and is limited to:

1. Cisco Call Manager 3.1 to 3.3.3 Production Upgrade
 - Working with Housing Authority to develop a plan to upgrade from Cisco Call Manager 3.1 to 3.3.3.
 - Installation of Cisco Call Manager 3.3.3 Software on applicable servers based on design determined in upgrade planning session (Call Manager 3.3.3 Software will be acquired by Housing Authority. All Hardware, Operating System and 3rd Party Software to be provided and installed by Housing Authority with specifications provided by Norstan).
 - Configuration of Cisco Call Manager software on applicable servers based on design determined in upgrade planning session. Anticipating two Call Manager servers (Publisher and Subscriber)
 - Integration testing of new Cisco Call Manager environment. Integration testing consists of ensuring Call Manager components are functioning properly. (Call Routing testing along with associated test plan creation will be the responsibility of Housing Authority).
 - Creation of standard Norstan support plan documentation.
 - Professional project management services.
2. Cisco Unity 3.1 to 4.0 Production Upgrade
 - Working with Housing Authority to develop a plan to upgrade from Cisco Unity 3.1 to 4.0.
 - Installation of Cisco Unity 4.0 Software on applicable servers based on design determined in upgrade planning session (Unity 4.0 Software will be acquired by Housing Authority. All Hardware, Operating System and 3rd Party Software to be provided and installed by Housing Authority with specifications provided by Norstan).
 - Configuration of Cisco Unity software on applicable server(s) based on design determined in upgrade planning session. Norstan is anticipating a single Unity voice-messaging server.

- Integration testing of new Cisco Unity environment. Integration testing consists of ensuring Unity components are functioning properly and integrated into the Call Manager.
- Creation of standard Norstan support plan documentation.
- Professional project management services.

3. Cisco IP/IVR Production Upgrade

- Working with Housing Authority to develop a plan to upgrade from Cisco IP/IVR.
- Installation of Cisco IP/IVR Software on applicable servers based on design determined in upgrade planning session (IP/IVR Software will be acquired by Housing Authority. All Hardware, Operating System and 3rd Party Software to be provided and installed by Housing Authority with specifications provided by Norstan).
- Configuration of Cisco IP/IVR software on applicable servers based on design determined in upgrade planning session. Norstan is anticipating a single IP/IVR server.
- Integration testing of new Cisco IP/IVR environment. Integration testing consists of ensuring IP/IVR components are functioning properly and integrated into the Call Manager. (Call Routing testing along with associated test plan creation will be the responsibility of Housing Authority).
- Creation of standard Norstan support plan documentation.
- Professional project management services.

This engagement and pricing will not include:

- Acquisition or installation of hardware, operating system and designated 3rd party software.
- LAN/WAN design or configuration.
- Test Plan Development
- Call Routing Test Plan Execution
- Active Directory Planning and Configuration
- Domain Name Service (DNS) Planning and Configuration
- Quality of Service Planning and Configuration
- Anything not specifically mentioned within this document.
- Cat IOS or IOS upgrades
- Installation and configuration of new hardware

3.0 PROJECT APPROACH

Norstan will assign multiple resources to this project. It is expected that Housing Authority will provide resources for the planning portion of the engagement and answer questions as needed.

3.1 Planning

Norstan and Housing Authority will complete a one-day planning session around the upgrade. It is expected that this planning session will determine the detailed tasks necessary to complete the upgrade.

3.2 Upgrade Production System

Norstan plans to complete the upgrade of the AVVID system the first week of the project after the design session has been completed. It is expected that Housing Authority will acquire the AVVID upgrade software through its existing maintenance contract.

The upgrade would take place during Housing Authority's maintenance window. Norstan will follow Cisco's recommended upgrade path for Call Manager, Unity and IP/IVR.

4.0 DELIVERABLES

The deliverables of this engagement are:

1. Cisco AVVID Upgrade
 - a. Installation of Cisco Call Manager Software on applicable servers based on design determined in upgrade.
 - b. Configuration of Cisco Call Manager software on applicable servers based on design determined in upgrade.
 - c. Installation of Cisco Unity Software on applicable servers based on design determined in upgrade.
 - d. Configuration of Cisco Unity software on applicable servers based on design determined in upgrade.
 - e. Installation of Cisco IP/IVR Software on applicable servers based on design determined in upgrade.
 - f. Configuration of Cisco IP/IVR software on applicable servers based on design determined in upgrade.

5.0 PROJECT TEAM ORGANIZATION

5.1 Housing Authority Team

Norstan will require the assistance of a team of individuals from Housing Authority. The team should include a designated Team Leader who can be the primary point of contact for the Norstan team and who can lead the other members of his/her team. Other team members should include a representative from the telecommunications department, call center, LAN administrator, and desktop support.

5.2 Norstan Team

Norstan will assign an Engagement Manager and an AVVID certified engineer for the duration of this project. The Engagement Manager will lead the engagement, provide professional project management services, and coordinate with the Housing Authority team via the Housing Authority Team Leader. The AVVID certified engineer will be the technical lead and have main responsibility for the system upgrade.

6.0 Roles and Responsibilities

6.1 Housing Authority Team

- Housing Authority will assign a Team Leader to the project. This person will be the primary point of contact and the escalation point for the Norstan Engagement Manager. This individual must have knowledge of the project and have authority to make decisions related to the project. He/she should also have authority to sign (or obtain signature for) change orders, completion documents, and contracts. The Team Leader will be responsible for ensuring the timely participation of the necessary personnel and timely delivery of any required information, change orders, and project completion documentation.
- Housing Authority will take ownership and responsibility for any decisions made as a result of information or recommendations provided by Norstan.
- Housing Authority will provide timely access to resources required to complete the project, including applicable personnel and systems.

6.2 Norstan Team

- Norstan will take ownership of the process of conducting the engagement and the form of all deliverables.
- Norstan will provide an Engagement Manager to communicate status, review project progress, project deliverables and resolve issues. The Norstan Engagement Manager has overall responsibility for the project. This person is the primary point of contact for the project and is responsible for your satisfaction.
- Norstan will provide a timely response to client concerns and issues.
- Norstan will provide resources that are qualified to fulfill the objectives of the engagement.
- Norstan will provide weekly written status reports to Housing Authority's Team Leader and other Housing Authority stakeholders as requested.
- Norstan will setup weekly status report review meetings (or shorter time frame if needed) to go over current state of project, open trouble tickets, tracking time on project and expenses.

7.0 ASSUMPTIONS

- Norstan reserves the right to re-estimate the work effort required per change control process to complete the upgrade activities after the upgrade planning session.
- Housing Authority will review documentation and provide any requested changes to Norstan within one (1) business day of delivery of that documentation.
- Housing Authority will provide workspace and supplies appropriate to this project, including access to telephones, printers, network, etc. while Norstan resources are on-site at Housing Authority.
- Housing Authority will review the project completion document within five (5) days of delivery of all project deliverables. Signature by appointed Director or Vice President on this document indicates that Housing Authority agrees that the project has been satisfactorily completed as specified in this Statement of Work.
- Signature on deliverable documentation indicates that Housing Authority agrees that the deliverable is complete; meets the criteria set forth in the Statement of Work, and has been completed in an acceptable fashion. It further indicates that Housing Authority has reviewed the document and accepts responsibility for the contents.
- Housing Authority will provide Norstan on site resources with the necessary security access to access Housing Authority's facilities based on the agreed upgrade plan.
- Once an upgrade plan and associated dates have been agreed to, it is recommended that Housing Authority place a freeze on changes to the Cisco ICM, Call Manager, and IP-IVR environments for the duration of this engagement. Any changes to these platforms after the agreed upon freeze date will have to be manually tracked and reapplied by Housing Authority after the Cisco ICM upgrade has been completed.
- Housing Authority's LAN will support TCP/IP.
- For the duration of the project and as applicable for support, Housing Authority will provision remote access to all current and new AVVID servers via Analog Modem or VPN access utilizing PCAnywhere.
- Housing Authority is responsible for coordinating and performing any required changes to the LAN/WAN, Telephony Network (including changes to the ACDs and IVRs) and any tasks related to Carrier Network Routing.
- Housing Authority is responsible for the acquisition, installation and configuration of all Hardware, Operating System and 3rd Party Software with specifications to be provided by Norstan.
- Norstan will provide Housing Authority with the recommended Quality of Service configuration from Cisco. Housing Authority will work to determine how to implement the recommended Quality of Service configuration within their Local and Wide Area Network environment.

- Existing hardware will be used for the upgrade. Any updates to RAM and hard disk space will be completed prior to Norstan's arrival on-site.
- Norstan will not be configuring or implementing new system features such as IPMA, advanced messaging applications, etc. If Housing Authority wishes to implement new features a separate Scope will need to be defined and executed.

8.0 PROJECT CHANGE CONTROL

Housing Authority may wish to make changes to the scope or objectives of this project after signing the original Statement of Work (SOW). The Norstan Engagement Manager will work with the Housing Authority Team Leader to define and document the scope and nature of the change(s) in detail. Norstan will analyze the impact of the change(s) on the timeline and cost of the project. Housing Authority will then be presented with and will be asked to sign a Change Order documenting the change(s) and associated impact(s). Norstan will not deviate from the original project scope and objectives until the change order has been signed.

Norstan may find during the course of the project that additional fees and / or expenses over and above the original estimate are required for successful completion. Examples of such discoveries include, but are not limited to:

- Documented assumptions prove to be false
- Information is revealed which was not known to Norstan at the time the original SOW was written
- Client-requested tasks are deemed by Norstan to be outside of the project scope
- Circumstances arise which are outside of Norstan's direct control
- The effort required to complete the project was underestimated

In the event that such a discovery occurs, the Norstan Engagement Manager will notify Housing Authority as soon as he / she is aware of the situation and that a Change Order is pending. The Norstan Engagement Manager will define and document the scope and nature of the change(s) in detail, and analyze the impact of the change(s) on the timeline and cost of the project. Housing Authority will then be presented with and will be asked to sign the Change Order. At this time, Housing Authority may either a) approve the change order, or b) refuse the change order.

In the event that the change order is approved, the project will continue as per the original SOW, and as amended by the current and any previously accepted change orders.

In the event that the change order is refused, Norstan will immediately stop work relative to the change request, and Norstan and Housing Authority will immediately enter into negotiations to resolve the issue. Norstan will not restart work until this issue is resolved to the mutual satisfaction of both parties. Norstan will charge fees associated with keeping the project team available to restart the project at the conclusion of negotiations.

If Norstan and Housing Authority are unable to resolve the issue in a mutually agreeable manner within 60 calendar days from the date the change order was originally presented by Norstan to Housing Authority, the project will be immediately deemed successfully completed through the last accepted milestone. Norstan will turn over all project materials in their then current state. Housing Authority agrees to reimburse Norstan for all fees and expenses incurred through project completion (including those associated with holding the project team during negotiations).

All services requested through the Change Order process will be billed on a Time and Materials basis at the hourly rate to be agreed upon.

9.0 PROJECT FEES AND TIMELINE

9.1 ESTIMATED FEES

Norstan's fees are outlined in Exhibit C (Fee Schedule).

In addition to Exhibit C, Norstan will bill you for one-half of the round-trip travel time to and from your location, plus reasonable and customary out-of-pocket expenses with the Customer's prior approval. These charges are not included in the above estimate. Norstan consultants working on-site will travel home each weekend.

The costs for any products required to complete this project are not included in this Statement of Work. The pricing, payment terms, and other conditions related to the sale of products will be covered under a separate agreement.

This pricing is in effect for 30 calendar days from the date of this document.

9.2 ESTIMATED TIMELINE AND START DATE

Norstan expects this project to be completed within a 2-3 week timeframe after the start of the upgrade planning session. Note that this timeframe is an estimate only. Actual time spent may be more or less than indicated.

Norstan may require up to 4 weeks to allocate the appropriate resources to this project from the date Housing Authority signs this SOW.

10.0 OTHER TERMS AND CONDITIONS

Housing Authority may cancel this project at any time by providing the Norstan Engagement Manager with written notice at least 10 business days in advance. The project will be deemed satisfactorily completed at the end of that period. Housing Authority agrees to reimburse Norstan for all fees and expenses incurred through project completion. If cancelled, Project Completion will include that latest phases for which there has been a signed Phase Acceptance Document as well as the Milestone payments for the currently active phases.

Norstan may cancel this project for reasonable cause by providing the Housing Authority Team Leader with written notice at least 10 business days in advance. Examples of "reasonable cause" include, but are not limited to, non-payment of fees or excessive project delays caused by Housing Authority.

Norstan reserves the right to re-deploy assigned project resources in the event that reasons outside of Norstan's immediate control cause project delays with reasonable notification.

Unless it is mutually agreed that business or project requirements dictate, Norstan resources working on-site will travel home each weekend.

PART C. CISCO ICM UPGRADE

1.0 OVERVIEW AND HISTORY

The Housing Authority of the County of Los Angeles (Housing Authority) has a Cisco IPCC Enterprise implementation that is currently running in production. Housing Authority would like to upgrade their IPCC Enterprise system to Release 5.0 to take advantage of the new features.

Housing Authority has asked Norstan Communications, Inc. (Norstan) to provide the following services in relation to the existing Cisco IPCC Enterprise environment:

- Cisco ICM upgrade from R4.6.2 to R5.0
- Upgrade Microsoft SQL versions from 7.0 to 2000
- Migrate the existing data in the administrative workstations to the latest schema

This document will serve as the statement of work for this engagement.

2.0 PROJECT OBJECTIVES AND SCOPE

2.1 Objectives

The objective of this engagement is to upgrade Housing Authority's Cisco ICM from R4.6.2 to R5.0.

2.2 Scope

The *scope* of this engagement encompasses and is limited to:

1. Cisco ICM R4.6.2 to R5.0 Production Upgrade
 - Working with Housing Authority to develop a plan to upgrade from Cisco ICM R4.6.2 to R5.0.
 - Installation of Cisco ICM R5.0 Software on applicable servers based on design determined in upgrade planning session (ICM R5.0 Software will be acquired by Housing Authority. All Hardware, Operating System and 3rd Party Software to be provided and installed by Housing Authority with specifications provided by Norstan).
 - Configuration of Cisco ICM software on applicable servers based on design determined in upgrade planning session. Norstan is anticipating two Rogers, two PG servers, and an HDS.
 - Integration testing of new Cisco ICM R5.0 environment. Integration testing consists of ensuring ICM components are functioning properly, ACDs and IVRs connect to ICM properly. (Call Routing testing along with associated test plan creation will be the responsibility of Housing Authority).
 - Post production support for upgraded system for five days.
 - Creation of standard Norstan support plan documentation.
 - Professional project management services.

This engagement and pricing will not include:

- Acquisition or installation of hardware, operating system and designated 3rd party software.
- LAN/WAN design or configuration.
- Telephony network services.
- Changes to any Telephony Switch or IVR (i.e. ACD, and IP-IVR)
- Test Plan Development
- Call Routing Test Plan Execution
- Active Directory Planning and Configuration
- Domain Name Service (DNS) Planning and Configuration

- Quality of Service Planning and Configuration
- Modifications to Housing Authority's Cisco ICM routing scripts.
- Anything not specifically mentioned within this document.
- Customized reporting other than what is available through ICM 5.0

3.0 PROJECT APPROACH

Norstan will assign multiple resources to this project. It is expected that Housing Authority will provide resources for the planning portion of the engagement and answer questions as needed.

3.1 Planning

Norstan and Housing Authority will complete a one-day planning session around the upgrade. It is expected that this planning session will determine the detailed tasks necessary to complete the upgrade.

3.2 Upgrade Production System

Norstan plans to complete the upgrade of the ICM system the first week of the project after the design session has been completed. It is expected that Housing Authority will acquire the ICM upgrade software through its existing maintenance contract. Housing Authority is also expected to upgrade the existing hardware for the Rogers and HDS. The Rogers will require additional RAM to run ICM v5.0. The HDS will be required to have at least 50% free disk space on the hard drive that contains the ICM database.

The upgrade would take place during Housing Authority's maintenance window. Norstan will follow Cisco's recommended upgrade path for Central Controllers, AWs, and HDS.

3.3 Post-Upgrade Support

Norstan is planning to have one resource on-site at Housing Authority for a period of one week after the system has been upgraded for production support. This person will assist with any issues from the upgrade and will document the changes to the production environment.

4.0 DELIVERABLES

The deliverables of this engagement are:

1. Cisco ICM R4.6.2 to R5.0 Upgrade
 - a. Installation of Cisco ICM R5.0 Software on applicable servers based on design determined in upgrade.
 - b. Configuration of Cisco ICM software on applicable servers based on design determined in upgrade.
 - c. Migrated Cisco ICM database

5.0 PROJECT TEAM ORGANIZATION

5.1 Housing Authority Team

Norstan will require the assistance of a team of individuals from Housing Authority. The team should include a designated Team Leader who can be the primary point of contact for the Norstan team and who can lead the other members of his/her team. Other team members should include a representative from the telecommunications department, call center, LAN administrator, and desktop support.

5.2 Norstan Team

Norstan will assign an Engagement Manager, an ICM Technical Architect, and an ICM Technical Consultant for the duration of this project. The Engagement Manager will lead the engagement, provide professional project management services, and coordinate with the Housing Authority team via the Housing Authority Team Leader. The ICM Technical Architect will be the technical lead and have main responsibility for the system upgrade from a technical perspective. The ICM technical consultant will work with the Technical Architect to upgrade the existing ICM system.

6.0 Roles and Responsibilities

6.1 Housing Authority Team

- Housing Authority will assign a Team Leader to the project. This person will be the primary point of contact and the escalation point for the Norstan Engagement Manager. This individual must have knowledge of the project and have authority to make decisions related to the project. He/she should also have authority to sign (or obtain signature for) change orders, completion documents, and contracts. The Team Leader will be responsible for ensuring the timely participation of the necessary personnel and timely delivery of any required information, change orders, and project completion documentation.
- Housing Authority will take ownership and responsibility for any decisions made as a result of information or recommendations provided by Norstan.
- Housing Authority will provide timely access to resources required to complete the project, including applicable personnel and systems.

6.2 Norstan Team

- Norstan will take ownership for the process of conducting the engagement and the form of all deliverables.
- Norstan will provide an Engagement Manager to communicate status, review project progress, and deliverables, and resolve issues. The Norstan Engagement Manager has overall responsibility for the project. This person is the primary point of contact for the project and is responsible for your satisfaction.
- Norstan will provide timely response to client concerns and issues.
- Norstan will provide resources that are qualified to fulfill the objectives of the engagement.
- Norstan will provide weekly written status reports to Housing Authority's Team Leader and other Housing Authority stakeholders as requested.
- Norstan will setup weekly status report review meetings (or a shorter time frame if needed) to go over current state of project, open trouble tickets, tracking time on the project and expenses.

7.0 ASSUMPTIONS

- Norstan reserves the right to re-estimate the work effort required per change control process to complete the upgrade activities after the upgrade planning session.
- Housing Authority will review documentation and provide any requested changes to Norstan within one (1) business day of delivery of that documentation.
- Housing Authority will provide workspace and supplies appropriate to this project, including access to telephones, printers, network, etc. while Norstan resources are on-site at Housing Authority.

- Housing Authority will review the project completion document within five (5) days of delivery of all project deliverables. Signature by appointed Director or Vice President on this document indicates that Housing Authority agrees that the project has been satisfactorily completed as specified in this Statement of Work.
- Signature on deliverable documentation indicates that Housing Authority agrees that the deliverable is complete; meets the criteria set forth in the Statement of Work, and has been completed in an acceptable fashion. It further indicates that Housing Authority has reviewed the document and accepts responsibility for the contents.
- Housing Authority will provide Norstan on site resources with the necessary security access to access Housing Authority's facilities based on the agreed upgrade plan.
- Once an upgrade plan and associated dates have been agreed to, it is recommended that Housing Authority place a freeze on changes to the Cisco ICM, CallManager, and IP-IVR environments for the duration of this engagement. Any changes to these platforms after the agreed upon freeze date will have to be manually tracked and reapplied by Housing Authority after the Cisco ICM upgrade has been completed.
- Housing Authority's LAN will support TCP/IP.
- For the duration of the project and as applicable for support, Housing Authority will provision remote access to all current and new ICM servers via Analog Modem or VPN access utilizing PCAnywhere.
- Housing Authority is responsible for coordinating and performing any required changes to the LAN/WAN, Telephony Network (including changes to the ACDs and IVRs) and any tasks related to Carrier Network Routing.
- Housing Authority is responsible for the acquisition, installation and configuration of all Hardware, Operating System and 3rd Party Software with specifications to be provided by Norstan.
- Housing Authority is responsible for any required Cisco ICM routing or administrative script changes.
- Norstan will provide Housing Authority with the recommended Quality of Service configuration from Cisco. Housing Authority will work to determine how to implement the recommended Quality of Service configuration within their Local and Wide Area Network environment.
- Existing hardware will be used for the upgrade. Any updates to RAM and hard disk space will be completed prior to Norstan's arrival on-site.
- All ICM servers are running Windows 2000 operating system.
- Norstan will not be updating any custom reports. The ICM database schema changes from v4.6.2 to v5.0. Any changes to the schema that cause current custom reports not to run will be handled through the change control process.
- Existing Call Manager and IP-IVR are at compatible release levels for ICM v5.0. Housing Authority will install any necessary service packs or hot fixes required on these platforms.
- All call center agents and servers are located at the Market Street location.

8.0 PROJECT CHANGE CONTROL

Housing Authority may wish to make changes to the scope or objectives of this project after signing the original Statement of Work (SOW). The Norstan Engagement Manager will work with the Housing Authority Team Leader to define and document the scope and nature of the change(s) in detail. Norstan will analyze the impact of the change(s) on the timeline and cost of the project. Housing Authority will then be presented with and will be asked to sign a Change Order documenting the change(s) and associated impact(s). Norstan will not deviate from the original project scope and objectives until the change order has been signed.

Norstan may find during the course of the project that additional fees and / or expenses over and above the original estimate are required for successful completion. Examples of such discoveries include, but are not limited to:

- Documented assumptions prove to be false

- Information is revealed which was not known to Norstan at the time the original SOW was written
- Client-requested tasks are deemed by Norstan to be outside of the project scope
- Circumstances arise which are outside of Norstan's direct control
- The effort required to complete the project was underestimated

In the event that such a discovery occurs, the Norstan Engagement Manager will notify Housing Authority as soon as he / she is aware of the situation and that a Change Order is pending. The Norstan Engagement Manager will define and document the scope and nature of the change(s) in detail, and analyze the impact of the change(s) on the timeline and cost of the project. Housing Authority will then be presented with and will be asked to sign the Change Order. At this time, Housing Authority may either a) approve the change order, or b) refuse the change order.

In the event that the change order is approved, the project will continue as per the original SOW, and as amended by the current and any previously accepted change orders.

In the event that the change order is refused, Norstan will immediately stop work relative to the change request, and Norstan and Housing Authority will immediately enter into negotiations to resolve the issue. Norstan will not restart work until this issue is resolved to the mutual satisfaction of both parties. Norstan will charge fees associated with keeping the project team available to restart the project at the conclusion of negotiations.

If Norstan and Housing Authority are unable to resolve the issue in a mutually agreeable manner within 60 calendar days from the date the change order was originally presented by Norstan to Housing Authority, the project will be immediately deemed successfully completed through the last accepted milestone. Norstan will turn over all project materials in their then current state. Housing Authority agrees to reimburse Norstan for all fees and expenses incurred through project completion (including those associated with holding the project team during negotiations).

All services requested through the Change Order process will be billed on a Time and Materials basis at the hourly rate to be agreed upon.

9.0 PROJECT FEES AND TIMELINE

9.1 ESTIMATED FEES

Norstan estimates this engagement will take 260 hours to complete. Norstan's fees for this work are listed in Exhibit C (Fee Schedule).

In addition to the above, Norstan will bill you for one-half of the round-trip travel time to and from your location, plus reasonable and customary out-of-pocket expenses upon the approval of the Customer. These charges are not included in the above estimate. Norstan consultants working on-site will travel home each weekend.

The costs for any products required to complete this project are not included in this Statement of Work. The pricing, payment terms, and other conditions related to the sale of products will be covered under a separate agreement.

This pricing is in effect for 30 calendar days from the date of this document.

9.2 ESTIMATED TIMELINE AND START DATE

Norstan expects this project to be completed within a 2-3 week timeframe after the start of the upgrade planning session. Note that this timeframe is an estimate only. Actual time spent may be more or less than indicated.

Norstan may require up to 4 weeks to allocate the appropriate resources to this project from the date Housing Authority signs this SOW.

10.0 OTHER TERMS AND CONDITIONS

Housing Authority may cancel this project at any time by providing the Norstan Engagement Manager with written notice at least 10 business days in advance. The project will be deemed satisfactorily completed at the end of that period. Housing Authority agrees to reimburse Norstan for all fees and expenses incurred through project completion. If cancelled, Project Completion will include that latest phases for which there has been a signed Phase Acceptance Document as well as the Milestone payments for the currently active phases.

Norstan may cancel this project for reasonable cause by providing the Housing Authority Team Leader with written notice at least 10 business days in advance. Examples of "reasonable cause" include, but are not limited to, non-payment of fees or excessive project delays caused by Housing Authority:

Norstan reserves the right to re-deploy assigned project resources in the event that reasons outside of Norstan's immediate control cause project delays with reasonable notification.

Unless it is mutually agreed that business or project requirements dictate, Norstan resources working on-site will travel home each weekend.

11.0 ACCEPTANCE

Norstan looks forward to working with Housing Authority on this important project. You may be assured that it will have our close and careful attention. If you have any questions, please do not hesitate to call the Norstan representative that delivered this document.

This document, and the associated pricing, is valid for a period of 30 days from the date on the cover page.

Exhibit C: Project Schedule

Cisco Maintenance Project Schedule

<u>TASK</u>	<u>DATE TO BE COMPLETED</u>
Task 1 - Conduct Kickoff Meeting	May 17, 2004
Task 2 – Confirm Service Level Agreement	May 17, 2004
Task 3 - Obtain Network Diagrams	May 18, 2004
Task 4 - 3rd Party SLA	May 20, 2004
Task 5 – Inventory Hardware	May 27, 2004
Task 6 – Determine Health of Hardware	June 4, 2004
Task 7 - Provision VPN	June 7, 2004
Task 8 – Test VPN	June 8, 2004
Task 9 – Get Contract Information	June 10, 2004
Task 10 – Confirm Support Agreement	June 11, 2004
Task 11 – Inventory Customer Software Versions	June 15, 2004
Task 12 – Confirm Escalation Guidelines	June 16, 2004
Task 13 – Configure Remote Collection Agent	June 18, 2004

CCM Unity and ICM Upgrade
Project Schedule

<u>TASK</u>	<u>DATE TO BE COMPLETED</u>
Task 1 – Conduct Kickoff Meeting	May 17, 2004
Task 1.1 – Review Scope of Work	May 17, 2004
Task 1.2 – Review Payment Terms & Schedule	May 17, 2004
Task 1.3 – Address “Scope Creep” and ICO’s	May 17, 2004
Task 1.4 – Review Timeline and Change as Necessary	May 17, 2004
Task 2 – Conduct Work Session with the Housing Authority	May 19, 2004
Task 2.1 – Ensure Housing Authority has all SW req’d for Upgrade	May 17, 2004
Task 2.2 – Develop Plan with Customer to Install CCM, IP/IVR and Unity Upgrade	May 19, 2004
Task 3 – CCM Upgrade to 3.3.3	May 24, 2004
Task 3.1 – Make Appropriate Backups	May 20, 2004
Task 3.2 – Force Swap Publisher to Subscriber	May 20, 2004
Task 3.3 – Upgrade CCM	May 21, 2004
Task 3.4 – Return System to Original Configuration	May 24, 2004
Task 3.5 – Test New System	May 24, 2004
Task 4 – Unity Upgrade to 4.0	May 28, 2004
Task 4.1 – Take Backup of Current System	May 25, 2004
Task 4.2 – Install Upgrade 4.0	May 28, 2004
Task 4.3 – Test System	May 28, 2004
Task 5 – IP/IVR Upgrade	June 1, 2004
Task 5.1 – Backup Configuration Files for IP/IVR	May 31, 2004
Task 5.2 – Begin Installation of Upgraded S/W	May 31, 2004
Task 5.3 – Restore Configuration Files (possibly through CCM)	June 1, 2004
Task 5.4 – Test System	June 1, 2004
Task 6 – IPCC Upgrade	June 7, 2004
Task 6.1 – Planning	May 21, 2004
Task 6.2 – IPCC HDS Upgrade	May 26, 2004
Task 6.3 – IPCC Rogger Upgrade	May 28, 2004
Task 6.4 – IPCC PG/CTI Upgrade	May 31, 2004
Task 6.5 – Testing	June 2, 2004
Task 6.6 – Post Production Support	June 7, 2004

Exhibit D: Fee Schedule

Renewal contract each year	Year 1	Year 2	Year 3	Total
IP Telephony	23,840	21,840	21,840	67,520
IP Contact Center	24,017	24,017	24,017	72,051
Alarm Monitoring	4,970	4,970	4,970	14,910
IP Telephony Upgrade	14,000	-	-	14,000
IP Contact Center Upgrade	77,000	-	-	77,000
Cisco Smartnet		23,317	23,317	46,634
Total	143,827	74,144	74,144	\$ 292,115

Exhibit E: Required Forms & Certifications
Contractor's EEO Certification

Contractor's Name

Address

Internal Revenue Service Employer Identification Number

GENERAL

In accordance with Subchapter VII of the *Civil Rights Act of 1964*, 42 USC Sections 2000e through 2000e-17, and the *Americans with Disabilities Act of 1990*, CONTRACTOR, supplier, or vendor certifies and agrees that all persons employed by such firm, its affiliates, subsidiaries, or holding companies are and will be treated equally by the firm without regard to or because of race, color, religion, ancestry, national origin, age, condition of physical or mental disability, marital status, political affiliation or sex and in compliance with all anti-discrimination laws of the United States of America and the State of California.

CONTRACTOR'S CERTIFICATION
(check one)

- | | | | |
|----|--|--------------------------|--------------------------|
| 1. | The Contractor has a written policy statement prohibiting discrimination in all phases of employment. | YES | NO |
| | | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. | The Contractor periodically conducts a self-analysis or utilization analysis of its work force. | YES | NO |
| | | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. | The Contractor has a system for determining if its employment practices are discriminatory against protected groups. | YES | NO |
| | | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. | Where problem areas are identified in employment practices, the Contractor has a system for taking reasonable corrective action to include establishment of goals or timetables. | YES | NO |
| | | <input type="checkbox"/> | <input type="checkbox"/> |

Name and title of signer

Signature

Date

Exhibit F: IRS Notice 1015: Earned Income Credit Fact Sheet



Department of the Treasury
Internal Revenue Service

Notice 1015

(Rev. October 2001)

Have You Told Your Employees About the Earned Income Credit (EIC)?

What Is the EIC?

The EIC is a refundable tax credit for certain workers.

A change to note. Workers cannot claim the EIC if their 2001 investment income (such as interest and dividends) is over \$2,450.

Which Employees Must I Notify About the EIC?

You must notify each employee who worked for you at any time during the year and from whom you did not withhold income tax. However, you do not have to notify any employee who claimed exemption from withholding on Form W-4, Employee's Withholding Allowance Certificate.

Note: You are encouraged to notify each employee whose wages for 2001 are less than \$32,121 that he or she may be eligible for the EIC.

How and When Must I Notify My Employees?

You must give the employee one of the following:

- The IRS Form W-2, Wage and Tax Statement, which has the required information about the EIC on the back of Copy B.
- A substitute Form W-2 with the same EIC information on the back of the employee's copy that is on Copy B of the IRS Form W-2.
- Notice 797, Possible Federal Tax Refund Due to the Earned Income Credit (EIC).
- Your written statement with the same wording as Notice 797.

If you are required to give Form W-2 and do so on time, no further notice is necessary if the Form W-2 has the required information about the EIC on the back of the employee's copy. If a substitute Form W-2 is given on time but does not have the required information, you must notify the employee within 1 week of the date the substitute Form W-2 is given. If Form W-2 is required but is not given on time, you must give the employee Notice 797 or your written statement by the date Form W-2 is required to be given. If Form W-2 is not required, you must notify the employee by February 7, 2002.

You must hand the notice directly to the employee or send it by First-Class Mail to the employee's last known address. You will not meet the notification requirements by posting Notice 797 on an employee bulletin board or sending it through office mail. However, you may want to post the notice to help inform all employees of the EIC. You can get copies of the notice by calling 1-800-829-3676. You can also get the notice from the IRS Web Site at www.irs.gov.

How Will My Employees Know if They Can Claim the EIC?

The basic requirements are covered in Notice 797. For more detailed information, the employee needs to see the 2001 instructions for Form 1040, 1040A, 1040EZ, or Pub. 596, Earned Income Credit.

How Do My Employees Claim the EIC?

Eligible employees claim the EIC on their 2001 tax return. Even employees who have no tax withheld from their pay or owe no tax can claim the EIC and get a refund, but they must file a tax return to do so. For example, if an employee has no tax withheld in 2001 and owes no tax but is eligible for a credit of \$791, he or she must file a 2001 tax return to get the \$791 refund.

How Do My Employees Get Advance EIC Payments?

Eligible employees who expect to have a qualifying child for 2001 can get part of the credit with their pay during the year by giving you a completed Form W-5, Earned Income Credit Advance Payment Certificate. You must include advance EIC payments with wages paid to these employees, but the payments are not wages and are not subject to payroll taxes. Generally, the payments are made from withheld income, social security, and Medicare taxes. For details, see Pub. 15, Employer's Tax Guide.

Notice 1015
(Rev. 10-2001)

Exhibit G: Safely Surrendered Baby Law Fact Sheet

**No shame.
No blame.
No names.**

**Newborns can be safely given up
at any Los Angeles County
hospital emergency room or fire station.**



In Los Angeles County

1-877-BABY SAFE

1-877-222-9723

www.babysafe.org



State of California
Governor Arnold Schwarzenegger

Health and Human Services Agency
Grande Johnson, Secretary

Department of Social Services
Michael J. Adams, Director



Los Angeles County Board of Supervisors
Glenn Winick, Supervisor, First District

Walter Brantley, Supervisor, Second District

Les Van Dyke, Supervisor, Third District

Christina Supple, Supervisor, Fourth District

Michael B. Antonovich, Supervisor, Fifth District

This initiative is also supported by First 5 LA and R.O.C. LINE of Los Angeles.

What is the Safely Surrendered Baby Law?

California's Safely Surrendered Baby Law allows parents to give up their baby confidentially. As long as the baby has not been abused or neglected, parents may give up their newborn without fear of arrest or prosecution.

How does it work?

A distressed parent who is unable or unwilling to care for a baby can legally, confidentially and safely give up a baby within three days of birth. The baby must be handed to an employee at a Los Angeles County emergency room or fire station. As long as the child shows no signs of abuse or neglect, no name or other information is required. In case the parent changes his or her mind at a later date and wants the baby back, workers will use bracelets to help connect them to each other. One bracelet will be placed on the baby, and a matching bracelet will be given to the parent.

What if a parent wants the baby back?

Parents who change their minds can begin the process of reclaiming their newborns within 14 days. These parents should call the Los Angeles County Department of Children and Family Services at 1-800-540-4000.

Can only a parent bring in the baby?

In most cases, a parent will bring in the baby. The law allows other people to bring in the baby if they have legal custody.

Does the parent have to call before bringing in the baby?

No. A parent can bring in a baby anytime, 24 hours a day, 7 days a week so long as the parent gives the baby to someone who works at the hospital or fire station.

Does a parent have to tell anything to the people taking the baby?

No. However, hospital personnel will ask the parent to fill out a questionnaire designed to gather important medical history information, which is very useful in caring for the child. Although encouraged, filling out the questionnaire is not required.

What happens to the baby?

The baby will be examined and given medical treatment, if needed. Then the baby will be placed in a pre-adoptive home.

What happens to the parent?

Once the parent(s) has safely turned over the baby, they are free to go.

Why is California doing this?

The purpose of the Safely Surrendered Baby Law is to protect babies from being abandoned by their parents and potentially being hurt or killed. You may have heard tragic stories of babies left in dumpsters or public bathrooms. The parents who committed these acts may have been under severe emotional distress. The mothers may have hidden their pregnancies, fearful of what would happen if their families found out. Because they were afraid and had nowhere to turn for help, they abandoned their infants. Abandoning a baby puts the child in extreme danger. It is also illegal. Too often, it results in the baby's death. Because of the Safely Surrendered Baby Law, this tragedy doesn't ever have to happen in California again.

A baby's story

At 8:30 a.m. on Thursday, July 25, 2002, a healthy newborn baby was brought to St. Bernardine Medical Center in San Bernardino under the provisions of the California Safely Surrendered Baby Law. As the law states, the baby's mother did not have to identify herself. When the baby was brought to the emergency room, he was examined by a pediatrician, who determined that the baby was healthy and doing fine. He was placed with a loving family while the adoption process was started.

Every baby deserves a chance for a healthy life. If someone you know is considering abandoning a newborn, let her know there are other options.

It is best that women seek help to receive proper medical care and counseling while they are pregnant. But at the same time, we want to assure parents who choose not to keep their baby that they will not go to jail if they deliver their babies to safe hands in any Los Angeles County hospital ER or fire station.



**HOUSING AUTHORITY
of the County of Los Angeles**

Administrative Office
2 Coral Circle • Monterey Park, CA 91755
323.890.7001 • www.hacdc.org

Gloria Molina
Yvonne Brathwaite Burke
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

Carlos Jackson
Executive Director

April 28, 2004

Honorable Housing Commissioners
Housing Authority of the
County of Los Angeles
2 Coral Circle
Monterey Park, California 91755

Dear Commissioners:

**APPROVE A COMMUNITY DEVELOPMENT BLOCK GRANT FLOAT LOAN TO THE
HOUSING AUTHORITY OF THE COUNTY OF LOS ANGELES FOR
REHABILITATION OF SIX HOUSING DEVELOPMENTS (ALL DISTRICTS)**

IT IS RECOMMENDED THAT YOUR COMMISSION:

1. Recommend that the Board of Commissioners approve a 30-month Community Development Block Grant (CDBG) Float Loan Agreement in the form of the attached, for \$6,200,000 in Countywide Community Development Block Grant (CDBG) funds with the County of Los Angeles to fund rehabilitation activities at housing developments including Nueva Maravilla in unincorporated East Los Angeles; Carmelitos in the City of Long Beach; Harbor Hills in the City of Lomita; Orchard Arms in Valencia; Foothill Villa in La Crescenta; and Southbay Gardens in unincorporated South Los Angeles; and authorize the Executive Director to execute the Float Loan Agreement and all related documents, to be effective following approval as to form by County Counsel and execution by all parties.
2. Recommend that the Board of Commissioners authorize the Executive Director to incorporate the above funds, as needed, into the Housing Authority's approved budget.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The purpose of this action is to provide financing for a CDBG Float Loan for rehabilitation of six Housing Authority developments.

FISCAL IMPACT/FINANCING:

There is no impact on the County general fund. Countywide CDBG funds, in the amount of \$6,200,000, will be used to provide the Float Loan at a fixed interest rate of one percent per annum, with interest only payable monthly and a balloon payment of outstanding principal balance at maturity. Based on an 30-month term and a total draw of the loan, the County will earn \$155,000 in interest.

To repay the loan, the Housing Authority will establish a sinking fund with revenue provided annually by the U.S. Department of Housing and Urban Development (HUD) through the Capital Fund Program. The loan will be additionally collateralized by an AA grade, direct pay, callable upon demand, irrevocable letter of credit. The Housing Authority will secure the letter of credit and the County will be named as beneficiary. The letter of credit ensures the repayment of the loan.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

This loan will be made under the County Float Loan Program, which finances activities that benefit low- and moderate-income persons in the County, including the rehabilitation of publicly owned residential property. Funding is made from the County's available Line of Credit with HUD. The program is administrated in accordance with federal guidelines, specifically 24 Code of Federal Regulations (CFR) 570.208 (a)(3), 24 CFR 203.48 and 24 CFR 570.201(c).

Loan proceeds will finance rehabilitation activities at the following sites: Nueva Maravilla, in unincorporated East Los Angeles; Carmelitos, in the City of Long Beach; Harbor Hills, in the City of Lomita; Orchard Arms in Valencia; Foothill Villa in La Crescenta; and Southbay Gardens in unincorporated South Los Angeles.

The CDBG Float Loan Agreement and a description of the renovations, with cost estimates, are provided as Attachments A and B respectively.

ENVIRONMENTAL DOCUMENTATION:

Pursuant to 24 Code of Federal Regulations, Part 58, Section 58.35(a)(3)(i), these projects are excluded from the need to prepare an Environmental Impact Statement or an Environmental Assessment under the provisions of NEPA, because they involve activities that will not alter existing environmental conditions. Also, the projects are exempt from the provisions of CEQA, pursuant to State CEQA Guidelines 15301, because they involve negligible or no expansion of use beyond what currently exists and do not have the potential for causing a significant effect on the environment.

Honorable Housing Commissioners

April 28, 2004

Page 3

The environmental review records for these projects are available for viewing by the public during regular business hours at the Housing Authority's main office located at 2 Coral Circle, Monterey Park.

IMPACT ON CURRENT PROGRAM:

This loan is consistent with a goal of the County Float Loan Program to finance activities that provide benefits to low- and moderate-income persons in the County, including the rehabilitation of publicly owned residential property.

Respectfully submitted,

for Bobbette A. Glover
CARLOS JACKSON
Executive Director

CJ:HAGoLA Float Loan Board Letter

Attachments: 2

DRAFT

Attachment A

LOAN AGREEMENT

THIS LOAN AGREEMENT is dated for identification purposes only as of the _____ day of _____, 2004 (the "Agreement") by and between the COUNTY OF LOS ANGELES, a public body corporate and politic (the "COUNTY") and the HOUSING AUTHORITY OF THE COUNTY OF LOS ANGELES, (the "Borrower"). The COUNTY and the Borrower individually are sometimes hereinafter referred to as a "Party" and collectively as the "Parties".

RECITALS

A. WHEREAS, the County of Los Angeles, by and through the COUNTY has entered into an agreement with the United States of America through its Department of Housing and Urban Development ("HUD") to execute a Community Development Block Grant ("CDBG") pursuant to the Housing and Community Development Act of 1974, as amended (the "Act");

B. WHEREAS, Borrower desires to borrow up to the maximum principal amount of Six Million Two-Hundred Thousand Dollars (\$6,200,000) (the "Loan") from the COUNTY for the purpose of obtaining working capital (the "Project") to be utilized by Borrower for assistance in financing rehabilitation activities at its housing developments (the "Site");

C. WHEREAS, the COUNTY desires to make the Loan to Borrower, on the terms and conditions set forth herein;

D. WHEREAS, the COUNTY has made a determination that the Project, or portions thereof, to which the proceeds of the Loan are to be applied pursuant to this Agreement is a CDBG eligible special economic development activity benefiting low- and moderate-income persons and that the activity is necessary to further the purposes of the Act and that reasonable benefits will accrue to residents within the Urban County jurisdiction;

E. WHEREAS, the COUNTY has made a determination that the Loan is appropriate to carry out a special economic development project; and

F. WHEREAS, Borrower has agreed to obtain the irrevocable Letter of Credit, described below, to secure repayment of the Loan by Borrower as provided herein.

NOW, THEREFORE, the Parties agree as follows:

1. **LOAN BY THE COUNTY**

The COUNTY agrees, subject to the terms and conditions of this Agreement and in consideration of the representations, covenants and obligations of Borrower contained in this Agreement, to loan to Borrower, in one or more disbursements, up to the

maximum sum of Six Million Two-Hundred Thousand Dollars (\$6,200,000) to be used solely for the purposes described below and so long as such purposes constitute CDBG eligible special economic development activities.

2. NOTE; INTEREST

Prior to any disbursement of any Loan proceeds to Borrower hereunder, Borrower shall execute and deliver to the COUNTY a Promissory Note (the "Note") in the form of Exhibit "A" attached hereto, which Note sets forth the interest rate, the date and other terms and conditions of the Loan. The Note shall be dated by Borrower as of the date of its execution and, upon receipt of the Note, the COUNTY shall insert the Maturity Date (as defined below) therein. The disbursed and unpaid amount of the Loan shall accrue interest as of the date on which Loan proceeds are first disbursed to Borrower by the COUNTY as provided herein (the "Initial Disbursement"), and ending (except as to interest at the "Default Rate", as defined in the Note) on that date which is thirty (30) months after the date of the Note (the "Maturity Date"), at the lesser of (a) the rate of one percent (1%) or (b) the maximum rate of interest permitted to be paid to the COUNTY pursuant to any applicable usury law. Interest shall be computed on the basis of actual number of days and a 365-day year. Borrower shall pay interest in arrears commencing on the first day of the month following the Initial Disbursement and continuing thereafter on the first day of each month to and including that month during which the Maturity Date occurs. On the Maturity Date, the entire unpaid principal balance of the Loan, plus all accrued and unpaid interest thereon, and any other amounts payable by Borrower

under the terms of this Agreement and the Note shall be due and payable. All payments, including any prepayments or funds received upon acceleration pursuant to Section 3 below, shall be applied first toward costs of collection and late charges, if any, then toward accrued and unpaid interest and then toward the unpaid principal balance under the Note. As used herein, "Term" shall mean the period of time commencing with the date of the Note and terminating on the date when Borrower has repaid the entire outstanding principal balance and accrued interest on the Loan.

If a payment of interest not timely made remains overdue for a period of ten (10) days after the same becomes due and payable, Borrower, without notice or demand by the COUNTY or any other holder of the Note, shall pay a late charge in an amount equal to five percent (5%) of the delinquent interest owing (the "Late Charge"). Borrower agrees that an amount equal to the Late Charge is a reasonable estimate of the damage to the COUNTY or other holder of the Note in the event of late payment of interest due hereunder.

3. ACCELERATION

The entire principal balance of the Loan and all accrued and unpaid interest thereon shall be due and payable on the Maturity Date; provided, however, that the entire principal balance of the Loan and all accrued and unpaid interest thereon shall, at the election of the COUNTY and upon notice to Borrower thereof (except no notice or election shall be required with respect to Non-Curable Defaults as defined in Sections

14(A)(1) through 14(A)(7) below), become immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by Borrower, upon the occurrence of any Event of Default as set forth in Section 14.

4. **LOAN REPAYMENT; VOLUNTARY PREPAYMENT; MANDATORY
REPAYMENT**

At any time after the disbursement of the Loan proceeds, Borrower may, subject to its compliance with the following procedure, voluntarily prepay all or a portion of the unpaid principal amount of the Loan and any or all accrued interest thereon without penalty. In the event Borrower wishes to voluntarily prepay (a "Voluntary Prepayment") all or any portion of the unpaid principal amount of the Loan and accrued interest thereon, Borrower shall deliver to the COUNTY at least ten (10) days prior written notice (the "Prepayment Notice") of such election which Prepayment Notice shall identify (i) the date such prepayment is to occur (the "Prepayment Date"), (ii) the total principal to be paid, and (iii) the total accrued interest to be paid.

It is acknowledged by the Parties that the COUNTY may require prepayment (a "Mandatory Prepayment") (either in whole or in part) of the Loan at any time by delivery of written notice (the "Notice of Mandatory Prepayment") to Borrower. The Notice of Mandatory Prepayment shall set forth (i) the date such prepayment is to occur (the "Required Prepayment Date"), (ii) the total principal to be paid, and (iii) the total accrued

interest to be paid. The Notice of Mandatory Prepayment shall be delivered to Borrower at least ten (10) days prior to the Required Prepayment Date.

The amount of principal and accrued interest set forth in the Prepayment Notice to be prepaid and the amount of principal and accrued interest set forth in the Notice of Mandatory Prepayment to be prepaid shall constitute an amount owing by Borrower to the COUNTY under this Agreement as of the Prepayment Date and the Required Prepayment Date, respectively.

The COUNTY shall be permitted, upon (i) the Maturity Date of the Loan, or (ii) the occurrence of any Event of Default as set forth in Section 14 and Borrower's failure to timely cure such Default after delivery of notice to Borrower as specified therein (except with respect to Non-Curable Defaults as defined in Sections 14 (A) (1) through 14 (A) (7) below in which case no notice is required), to draw on the irrevocable Letter of Credit (as defined below) the total outstanding principal, accrued and unpaid interest and other amounts owing under the Loan as of the date such draw plus, at the COUNTY's option, any interest, principal or other payments received directly from Borrower during the period commencing ninety-five (95) days prior to the earlier of the (i) date of such draw, or (ii) the date of any Act of Bankruptcy (as defined herein below) occurring with respect to Borrower. As used herein, the term "Act of Bankruptcy" means the filing of a voluntary petition in bankruptcy under the United States Bankruptcy Code or an adjudication pursuant to an involuntary proceeding under the United States Bankruptcy Code.

The COUNTY shall be permitted, upon (i) any Prepayment Date, and/or (ii) any Required Prepayment Date, to draw on the Letter of Credit the amount of any Voluntary Prepayment and/or any Mandatory Prepayment. In the event any such draw is for the entire outstanding principal and all accrued and unpaid interest due on the Loan as of the date of such draw, whether pursuant to a Voluntary Prepayment or a Mandatory Prepayment, the COUNTY shall be permitted to draw on the Letter of Credit the total outstanding principal, accrued and unpaid interest and other amounts owing under the Loan as of the date of such draw plus, at the COUNTY's option, any interest, principal or other payments received directly from Borrower during the period commencing ninety-five (95) days prior to the earlier of the (i) date of such draw, or (ii) the date of any Act of Bankruptcy occurring with respect to Borrower.

Provided that there are no other amounts owing the COUNTY after its draw on the Letter of Credit of the total outstanding principal, interest and other amounts owing under the Loan (and, if the COUNTY elects, any interest, principal or other payments received directly from Borrower during the period commencing ninety-five (95) days prior to the earlier of the (i) date of such draw, or (ii) the date of any Act of Bankruptcy occurring with respect to Borrower), the COUNTY shall return the Letter of Credit to the Bank (as defined below) after its receipt of all funds in accordance with such draw.

Borrower hereby agrees and understands that any partial prepayment of the Note shall not relieve Borrower of the duty to comply with the terms and conditions set forth in

the CDBG or the covenants described in Sections 9 and 10 herein, and such obligations and covenants shall remain in full force and effect pursuant to their terms.

5. **SECURITY AND SOURCE OF PAYMENT**

Payment of principal and interest on the Loan shall, at all times during the Term, be secured by a direct pay, irrevocable, unconditional and callable upon demand letter of credit (the "Letter of Credit") provided by _____, or another bank (the "Bank") acceptable to the COUNTY in its sole discretion for the account of Borrower. The Letter of Credit shall at all times be (i) in the amount no less than the then outstanding principal amount of the Loan plus the equivalent of three (3) months interest (computed at the rate in effect at the inception of the Loan) (hereinafter, the "Required Amount"), (ii) in favor of the COUNTY, (iii) in the form attached hereto as Exhibit "B", and (iv) having an expiration date which is at least ninety (90) days after the Maturity Date of the Note; provided, however, that Borrower shall be permitted to obtain a Letter of Credit with an earlier maturity provided that, no later than thirty (30) days prior to the expiration of such Letter of Credit, (i) such Letter of Credit is renewed to provide an expiration date which is at least ninety (90) days after the Maturity Date of the Note, or (ii) a replacement Letter of Credit, in conformance with the requirements hereunder and having an expiration date which is at least ninety (90) days after the Maturity Date of the Note, is issued in favor of the COUNTY.

Notwithstanding the satisfaction of all other conditions applicable to a distribution of Loan proceeds to Borrower under this Agreement, Borrower shall not be entitled to receive Loan proceeds to the extent such receipt would cause the amount of the then issued Letter of Credit to be less than the Required Amount. To the extent Borrower wishes to receive such Loan proceeds, Borrower must have the then issued Letter of Credit amended to an amount or have a replacement Letter of Credit issued (otherwise in conformance with all the requirements hereunder) in the amount which is no less than the Required Amount. For example, if Borrower originally has a \$4,000,000 Letter of Credit issued to the COUNTY and Borrower desires Loan proceeds which would bring the Required Amount to \$6,000,000, then Borrower must, prior to the disbursement of additional Loan proceeds, have the then issued Letter of Credit amended to or have a replacement Letter of Credit issued in an amount not less than \$6,000,000.

Draws on the Letter of Credit shall be conditioned upon the presentation to _____ or the Bank at its office designated in the Letter of Credit of a sight draft and certificate in accordance with the terms of the Letter of Credit. Neither the acceptance of the sight draft and certificate transfer, nor receipt of monies by the COUNTY under the Letter of Credit shall in any manner relieve Borrower of any obligation hereunder, under the Note or under the terms of any other document executed or given herewith, except to the extent of payment actually received by the COUNTY under the Letter of Credit and, to the extent the COUNTY receives actual payment under the Letter of Credit specifically with respect to an amount (the "Previously Paid Amount") previously received directly from Borrower, then the COUNTY shall promptly reimburse to Borrower or, if required

by applicable law, to the trustee in any bankruptcy proceeding involving Borrower, the Previously Paid Amount.

6. **CONDITIONS TO THE COUNTY FUNDING THE LOAN**

The obligation of the COUNTY to make any disbursement of Loan proceeds under this Agreement shall be expressly subject to the following conditions:

-
- A. The execution of this Agreement by the COUNTY and Borrower.
 - B. Receipt by the COUNTY of the Letter of Credit in form and substance as provided in Exhibit "B" hereto or otherwise satisfactory to the COUNTY, in its sole discretion, and from a bank reasonably acceptable to the COUNTY.
 - C. Receipt by the COUNTY of the executed Note.
 - D. Receipt by the COUNTY from the Borrower of such documents, certifications and opinions of counsel as are reasonably required by the COUNTY, in form and substance satisfactory to the COUNTY, evidencing (i) that this Agreement, the Note and all other documents given or executed in connection herewith are duly and validly executed by and on behalf of and constitute the valid and enforceable obligation of the

Borrower thereunder, pursuant to the respective terms of each of such documents, and (ii) that the execution and delivery of the Agreement, the Note and all other documents executed, or given hereunder or in connection herewith and the performance by the Borrower thereunder will not breach or violate any articles of incorporation, any by-law restriction, or any law or governmental regulation nor, to the best knowledge of Borrower and Borrower's members and officers, constitute a breach of or default under any instrument or agreement to which Borrower may be a party, and (iii) such other matters as are reasonably required by the COUNTY.

E. The availability to the COUNTY of allocated but undrawn CDBG funds in an amount sufficient to fund the respective disbursements of the Loan.

F. If necessary, receipt of environmental clearance for the Project.

G. No uncured Event of Default shall have occurred.

H. Borrower shall have provided to the COUNTY a disbursement request, in the form and manner, with the accompanying documentation, as is specified by Section 15 of this Agreement.

I. Borrower shall have provided to the COUNTY, in form satisfactory to the COUNTY, copies

of good standing certificates from the California Secretary of State, certifying that Borrower is duly qualified and in good standing.

J. Borrower shall have provided to the COUNTY, in form satisfactory to the COUNTY, (i) certified copies of a resolution of the Commissions of the Housing Authority of the County of Los Angeles approving, on behalf of Borrower, this Agreement and the other documents executed by Borrower in connection herewith, and (ii) a certificate of the Secretary or an Assistant Secretary of Borrower certifying the names and true signatures of the officers of Borrower authorized to sign this Agreement on behalf of Borrower, and the other documents to be delivered by it hereunder.

7. OBLIGATION OF BORROWER UNCONDITIONAL

The obligation of Borrower to repay the Loan and all accrued interest thereon shall be absolute and unconditional, and until such time as all of the outstanding principal of and interest on the Note shall have been fully paid, Borrower agrees that it:

A. Will use the Loan proceeds solely for the purposes set forth below in Section eight; and

B. Will not terminate or suspend any payments or obligations under this Agreement, the Note, or the Letter of Credit or any other document executed hereunder or in connection herewith for any cause, including without limitation, any acts or

circumstances that may constitute failure of consideration, commercial frustration of purpose, or any duty, liability or obligation arising out of or in connection with this Agreement or any document executed hereunder or in connection herewith.

8. PURPOSES OF LOAN

Borrower covenants to use the proceeds of the Loan solely for purposes of financing CDBG eligible activities and paying CDBG eligible costs incurred in connection with providing working capital (but only to the extent permitted by applicable CDBG regulations) necessary for the Project to be funded by the Loan. The Loan proceeds may not be used for, and Borrower hereby covenants that it shall not use such proceeds for, any ineligible purchases and expenditures as set forth in 24 CFR 570.207. In no event shall Borrower use or otherwise invest the proceeds of the Loan except as expressly provided in this Agreement. As of the execution hereof, Borrower intends to use the Loan proceeds solely to provide working capital for rehabilitation of the Project. The purpose of the Loan is to assist in financing rehabilitation projects at housing development sites owned by the Borrower.

9. COVENANTS OF BORROWER

As additional consideration for the making of the Loan by the COUNTY, Borrower covenants as follows:

A. Compliance with Laws. Borrower shall, during the Term, comply with all applicable federal, state, and local laws, ordinances, regulations and directives as they pertain to the performance of this Agreement. This Agreement is subject to and incorporates the terms of the Act and 24 Code of Federal Regulations (CFR), Chapter V, Part 570, and all amendments or successor laws, regulations or guidelines thereto (collectively, the "Laws, Regulations and Guidelines"). Borrower understands that the Project, or that portion thereof funded by the Loan (in the event the entire Project is not funded by the Loan), must comply at all times during the Term with one or more of the three broad national objectives set forth in 24 CFR 570.208 and Borrower covenants that it will cooperate with the COUNTY and HUD, as necessary, to maintain compliance therewith.

Borrower further understands and agrees that unless HUD has determined that the Project has received appropriate environmental review and clearance, no Loan proceeds shall be disbursed hereunder until compliance with environmental review and clearance procedures set forth at 24 CFR Part 58.

B. Affirmative Action. During the Term, Borrower shall take affirmative action to ensure that the Project shall provide equal employment and career advancement opportunities for minorities and women and, to the greatest extent feasible, to provide

opportunities for training and employment of low and moderate income persons when employed by Borrower. In connection therewith, Borrower, shall provide the COUNTY with data indicating the racial/ethnic and family income character of each business entity receiving a contract or subcontract of \$25,000 or more paid, or to be paid, with CDBG funds, and the amount of the contract or subcontract. In satisfying the requirements of this Section, Borrower shall require that a Prospective Employee Questionnaire attached hereto as Exhibit "C", be submitted by each contractor or subcontractor certifying the racial/ethnic and income characteristics of its employees and business staff. In furtherance of the foregoing, Borrower shall deliver to the COUNTY a list, acceptable to the COUNTY, setting forth affirmative steps taken by Borrower, or to be taken by

Borrower to assure that minority business and women's business enterprises are offered an equal opportunity to obtain or compete for contracts and subcontracts as sources of supplies, equipment, construction and services. Such affirmative steps may include, but are not limited to, technical assistance open to all businesses but designed to enhance opportunities for these enterprises and special outreach efforts to inform them of contract opportunities. Such steps shall not include preferring any business in the award of any contract or subcontract solely or in part on the basis of race or gender.

Borrower shall deliver to the COUNTY semiannually, prior to January 31 and July 31 of each fiscal year, a report summarizing the nature of the businesses with which Borrower has entered into contracts and subcontracts in connection with the Project during the preceding six (6) month period ending December 31 or June 30, as applicable. The obligation of Borrower to deliver the report specified in this Section shall

expire upon delivery of the report summarizing the last contracts and subcontracts entered into by Borrower in connection with the Project and to be paid in whole or in part with Loan proceeds.

C. Covenant to Perform Services. Borrower shall, during the Term, perform services consistent with the goals and objectives set forth in the Los Angeles Urban County Community Development Block Grant Statement of Objectives and Projected Use of Funds, as adopted during the Term by the Board of Supervisors of the County of Los Angeles, which Statement is incorporated herein by this reference.

E. Revenue Disclosures. Borrower shall make available for inspection and audit to the COUNTY's representatives, upon seventy-two (72) hours written request, at any reasonable time during the Term and for a period of five (5) years thereafter, at Borrower's offices, or, if requested by the COUNTY, at another location within Los Angeles County, all of the books and records of Borrower relating to the operation of the Project or this Agreement. All such books and records shall be maintained by Borrower. In the event any litigation, claim or audit is started before the expiration of the 5-year period, said books and records shall be retained until all litigation, claims, or audit findings involving said books and records shall have been resolved. The COUNTY agrees to maintain the confidentiality of all the information contained in the book and records of the Borrower, in accord with Agreement.

F. Other Reports. Upon seventy-two (72) hours written notice, at any reasonable time, Borrower shall prepare and submit to the COUNTY, in addition to the books and records described above, all additional reports and any financial, program progress, monitoring, evaluation or other reports required by HUD or the COUNTY or its representatives as they relate to the Project or this Agreement. Borrower shall ensure that its employees, agents, officers, and board members furnish such information, which in the reasonable judgment of COUNTY representatives, may be relevant to a question of compliance with this Agreement or HUD directives, or with the effectiveness, legality and achievements of the CDBG Program as they relate to the Project or this Agreement. Borrower shall retain all existing records and data relating to the Project for a five (5)

year period after the expiration of the Term. In the event any litigation, claims or audit is started before the expiration of said 5-year period, said books and records shall be retained until all litigation, claims or audit findings involving said books and records have been resolved.

G. Indemnification. Borrower agrees to and does hereby indemnify, defend and save harmless the COUNTY, the County of Los Angeles (the "County"), and their respective agents, officers and employees from and against any and all liability, expense, including defense costs and legal fees of counsel acceptable to the COUNTY, and claims (collectively, "Claims") for damages of any nature whatsoever, including, but not limited to, bodily injury, death, personal injury or property damage, arising from or connected with the Project (except to the extent caused by the gross negligence or willful misconduct of the COUNTY or the County or their employees), and including any

workers' compensation suits, liability or expense arising from or in connection with services performed on behalf of Borrower by any person pursuant to this Agreement.

H. Audit by State and Federal Agencies. Borrower agrees that in the event this Agreement or the Loan is subjected to audit, monitoring or other inspections by appropriate state and federal agencies, it shall be responsible for complying with such inspections and paying, on behalf of itself and the COUNTY, the full amount of the liability to the funding agency resulting from such inspections in the event such liability results from a failure by Borrower to satisfy applicable law or its obligations under this Agreement.

I. Program Evaluation and Review. Borrower shall, during regular business hours, allow COUNTY authorized personnel to inspect and monitor its facilities and program operations as they relate to the Project or this Agreement, including the interview of Borrower's staff and program participants, as reasonably required by the COUNTY during the Term.

J. Hazardous Materials. Borrower covenants and agrees that, during its ownership and/or occupancy of the Site, it shall not (i) knowingly deposit "Hazardous Materials" (as defined below) in, on or upon the Site, or (ii) knowingly permit the deposit of Hazardous Materials in, on or upon the Site, and Borrower hereby assumes any and all liability arising in connection with any such deposit of Hazardous Materials; provided, that this sentence shall not be construed or understood to prohibit Borrower from

allowing Hazardous Materials to be brought upon the Site so long as they are materials which are used in the normal course of business, and so long as such materials are used, stored and disposed of in accordance with all applicable governmental restrictions. Borrower agrees to indemnify, defend and hold the COUNTY harmless from and against any claims respecting the presence of Hazardous Materials in, on or upon the Site to the extent such Hazardous Materials are brought thereon by or on behalf of Borrower, its employees, agents or contractors.

For purposes of this Agreement, the term "Hazardous Materials" means, without limitation, gasoline, petroleum products, explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances, polychlorinated biphenyls or related or similar materials, asbestos or any other substance or material as may now or hereafter be defined as a hazardous or toxic substance by any federal, state or local environmental law, ordinance, rule or regulation, including, without limitation, (i) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act (42 U.S.C. Section 6901 et seq.), (ii) the Federal Water Pollution Control Act (33 U.S.C. Section 1251 et seq.), (iii) the Clean Air Act (42 U.S.C. Section 7401 et seq.), (iv) the Resource Conservation and Recovery Act, as amended by the Hazardous and Solid Waste Amendments of 1984 (42 U.S.C. Section 6902 et seq.), (v) the Toxic Substances Control Act (15 U.S.C. Section 2601-2629), (vi) the Hazardous Materials Transportation Act (49 U.S.C. Section 1801 et seq.), (vii) the Carpenter-Presley-Tanner Hazardous Substance Account Act (CA Health & Safety Code Section 25300 et seq.), (viii) the Hazardous

Waste Control Law (CA Health & Safety Code Section 25100, et seq.), (ix) the Porter-Cologne Water Quality Control Act (CA Water Code Section 13000 et seq.), (x) the Safe Drinking Water and Toxic Enforcement Act of 1986, (xi) the Hazardous Materials Release Response Plans and Inventory (CA Health & Safety Code Section 25500 et seq.), (xii) the Air Resources Law (CA Health & Safety Code Section 39000 et seq.), or (xiii) in any of the regulations adopted and publications promulgated pursuant to the foregoing.

K. Insurance. Borrower shall procure and maintain at Borrower's expense and until such time as Borrower has repaid the entire outstanding principal balance and accrued interest on the Loan, the following insurance, for which the COUNTY shall be named as additional named insured, against claims for injuries to persons or damages to property which may arise from or in connection with the development and operation of the Project by the Borrower, and their agents, representatives, employees or subcontractors.

(1) COMPREHENSIVE GENERAL LIABILITY: \$1,000,000 combined single limit for each occurrence (\$2,000,000 General Aggregate) for bodily injury, personal injury and property damage, including products and completed operations coverage.

(2) AUTOMOBILE LIABILITY: \$1,000,000 combined single limit per accident for bodily injury and property damage covering owned, non-owned and hired vehicles.

(3) WORKERS' COMPENSATION as required by the Labor Code of the State of California and Employers Liability limits of \$1,000,000 per accident.

(4) "ALL RISK" property insurance covering the full replacement value of all buildings and equipment of the Borrower. The COUNTY shall be named as an insured under a standard loss payable endorsement.

Any self-insurance program by Borrower or any self-insured retention must be separately approved by COUNTY.

Each insurance policy shall be endorsed to state that coverage shall not be canceled by either Party, reduced in coverage or in limits except after (30) days prior written notice has been given to COUNTY. Acceptable insurance coverage shall be placed with carriers admitted to write insurance in California which carriers shall have a rating of or equivalent to A: (VIII) by A.M. Best & Company. Any deviations from this rule shall require specific approval in writing.

Borrower shall furnish COUNTY with certificates of insurance and with original endorsements effecting coverage as required above. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. Borrower shall be permitted to satisfy the insurance requirements set forth in this Section 9 (K) pursuant to a blanket policy of

insurance maintained by Borrower so long as the coverage under such blanket policy satisfies the coverage requirements specified hereinabove.

Failure on the part of Borrower to procure or maintain the insurance coverage required above shall constitute a material breach of this Agreement by Borrower pursuant to which the COUNTY shall be entitled to all rights and remedies under this Agreement as specified in Sections 14 (B) and (C) below. No modification or waiver of the insurance requirements set forth herein shall be made without the prior written approval of the Executive Director of the COUNTY or any other officer or agent of COUNTY designated in writing by the Executive Director.

L. County Lobbyist Ordinance. Borrower and each County lobbyist or County lobbyist firm ("Lobbyist") (as defined in Los Angeles County Code Section 2.160.010) shall fully comply with the requirements (the "County Lobbyist Requirements") as set forth in Los Angeles County Code Chapter 2.160 (County Ordinance 93-0031).

The Borrower shall certify in writing that it is familiar with the Los Angeles County Code Chapter 2.160 and that all persons acting on behalf of the Borrower will comply with the County Lobbyist Requirements.

Failure on the part of the Borrower and/or the Lobbyist to fully comply with the County Lobbyist Requirements shall constitute a material breach of this Agreement by

the Borrower upon which the COUNTY may declare immediately due and payable all outstanding principal and all accrued and unpaid interest on the Loan. In addition, the Borrower may be subject to civil action.

M. Federal Lobbyist Requirements. The Borrower is prohibited by the Department of Interior and Related Agencies Appropriations Act, known as the Byrd Amendments and HUD's 24 Code of Federal Regulations (CFR). 87 (the "Federal Lobbyist Requirements"), from using federally appropriated funds for the purpose of influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, loan or cooperative agreement, and any extension, continuation, renewal, amendment or modification of said documents.

N. Contractor's Warranty Of Adherence To County's Child Support Compliance Program. Contractor acknowledges that the County of Los Angeles, hereinafter referred to as "County", has established a goal of ensuring that all individuals who benefit financially from County or Commission through contract are in compliance with their court-ordered child, family and spousal support obligations in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

As required by County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting Contractor's duty under this Agreement to comply with all applicable provisions of law, Contractor warrants that it is now in compliance

and shall during the term of this Agreement maintain compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or District Attorney Notices of Wage and Earnings Assignment for Child or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family code Section 5246(b).

O. Termination For Breach Of Warranty To Maintain Compliance With County's Child Support Compliance Program. Failure of Contractor to maintain compliance with the requirements set forth in Paragraph N, "Contractor's Warranty of Adherence to County's Child Support Compliance Program" shall constitute a default by Contractor under this Agreement. Without limiting the rights and remedies available to County or Commission under any other provision of this Agreement, failure to cure such default within ninety (90) days of notice by the Los Angeles County District Attorney shall be grounds upon which the Board of Commissioners may terminate this Agreement as an event of default under Section 14 (A) (1).

P. Post Most Wanted Delinquent Parent List. Contractor acknowledges that the County places a high priority on the enforcement of child support laws and the apprehension of child support evaders. Contractor understands that it is County's and Commission's policy to voluntarily post a list entitled "L.A.'s Most Wanted: delinquent Parents" poster in a prominent position at Contractor's place of business. District Attorney will supply Contractor with the poster to be used.

Q. Notice To Employees Regarding The Federal Earned Income Credit.

Contractor shall notify its employees, and shall require each subcontractor to notify its employees, that they may be eligible for the Federal Earned Income Credit under the federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in Internal Revenue Service Notice 1015.

R. Use Of Recycled-Content Paper Products. Consistent with the Board of Supervisors' policy to reduce the amount of solid waste deposited at the County landfills, the Contractor agrees to use recycled-content paper to the maximum extent possible in relation to its provision of service hereunder.

S. Other Requirements. Borrower shall, during the Term, comply with any other applicable requirements of a subrecipient of CDBG funds including without limitation compliance with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4831(b)), and any other applicable laws including any laws respecting relocation, displacement and federal labor standards requirements.

10. DISCRIMINATION

Borrower and the COUNTY agree that no person shall, on the grounds of race, sex, creed, color, religion, national origin, or age be excluded from participation in, be refused the benefits of, or otherwise be subjected to discrimination in any activities,

programs, or employment supported by this Agreement. Borrower shall comply, with all applicable regulations set forth in 24 CFR 570.600-602, including without limitation, the requirement that Borrower comply with Title VI of the Civil Rights Act of 1964 (Public Law 88-352) and regulations at 24 CFR Part 1; Section 109 of the Act and the Age Discrimination Act of 1975 (42 U.S.C. 6101-07) and Executive Order 11246 and the regulations issued pursuant thereto (41 CFR Chapter 60), if applicable; and the requirements of the Americans With Disabilities Act (42 U.S.C. 12101-12213).

11. INDEPENDENT CONTRACTOR

In their performance of this Agreement, the Parties will be acting in an independent capacity and not as agents, employees, partners, joint venturers, or associates of one another. The employees or agents of one Party shall not be deemed or construed to be the agents or employees of the other Party for any purpose whatsoever, including workers' compensation liability. Borrower shall bear the sole responsibility and liability for furnishing workers' compensation benefits to any person for injuries arising from or connected with services performed on behalf of Borrower pursuant to this Agreement.

12. ASSIGNMENT; ACCELERATION

So long as there is no Event of Default outstanding and provided Borrower obtains the prior express written consent of the COUNTY in each instance, such consent not to be unreasonably withheld, this Agreement and the rights and obligations of Borrower

hereunder shall be assignable by Borrower. The refusal of the COUNTY to consent to any such proposed assignment shall be deemed to be reasonable if the COUNTY, in its sole but reasonable discretion, determines that the proposed assignee does not possess (i) adequate experience in operating a project of a nature similar to that of the Project contemplated by this Agreement, (ii) a high-quality reputation, or (iii) the financial capacity of assignee is inadequate to operate the Project. The COUNTY's consent to any such assignment of Borrower's rights and obligations under this Agreement shall be expressly conditioned upon and any such assignment shall not be effective unless and until (i) execution and delivery by the proposed assignee to the COUNTY of such documents as required by the COUNTY including, without limitation, any and all documents deemed necessary by the COUNTY to provide for said assignee's assumption of all of the obligations of Borrower hereunder, including without limitation all covenants of Borrower relating to the creation and retention of low and moderate income jobs in connection with the operation of the Project, (ii) the proposed assignee causes the issuance to the COUNTY of a Letter of Credit satisfying all of the requirements set forth in this Agreement including without limitation the requirement that the Letter of Credit be issued by a bank acceptable to the COUNTY in its sole discretion. No approved assignment by Borrower hereunder shall in any way amend or modify the terms of this Agreement including specifically but without limitation the right of the COUNTY to require prepayment of all or any portion of the Loan at any time on no less than ten (10) days written notice as provided in Section 4 above.

Notwithstanding the current execution of any assignment documentation between Borrower and Assignee, the assignment to Assignee of Borrower's rights and obligations under this Agreement shall not be effective (and not recognized by the COUNTY) unless and until Assignee executes and delivers to the COUNTY such documents as required by the COUNTY including, without limitation, any and all documents deemed necessary by the COUNTY to provide for the Assignee's assumption of all of the obligations of Borrower hereunder, including without limitation all covenants of Borrower relating to maintenance of the Letter of Credit (with Banque Nationale de Paris or a Bank acceptable to the COUNTY in its sole discretion) and the creation and retention of low and moderate income jobs in connection with the operation of the Project. The assignment by Borrower

to Assignee hereunder shall in no way constitute an amendment or modification of the terms of this Agreement or an amendment, modification, release, limitation, extension, waiver or delay of the COUNTY's rights under this Agreement including specifically but without limitation the COUNTY's rights and remedies respecting any Event of Default outstanding at the time of the effectiveness of such assignment and the right of the COUNTY to require prepayment of all or any portion of the Loan at any time or no less than ten (10) days written notice as provided in Section 4 above.

Notwithstanding anything which may be or appear to be herein to the contrary, no purported assignment of this Agreement shall be effective if such assignment would violate the terms, conditions and restrictions of the CDBG or any other Laws, Regulations and Guidelines applicable to this Agreement or such assignment.

Except as otherwise expressly permitted as provided hereinabove in this Section 12, any attempt by Borrower to assign any performance or benefit under the terms of this Agreement, without the prior written consent of the COUNTY as provided hereinabove, shall be null and void and shall constitute a material breach of this Agreement. In the event of a sale or transfer of Project (other than an encumbrance of the Site for security purposes) without an assignment of this Agreement approved in writing by the COUNTY, the COUNTY may, at its option, declare the entire principal balance of the Loan and all accrued and unpaid interest thereon immediately due and payable.

13. **FISCAL LIMITATIONS**

The United States of America through HUD, may in the future place programmatic or fiscal limitations on CDBG funds not presently anticipated. Accordingly, the COUNTY reserves the right to revise this Agreement in order to take account of actions affecting HUD program funding. In the event of funding reduction, the COUNTY may reduce or eliminate the Loan in its entirety.

14. **EVENTS OF DEFAULT AND REMEDIES**

A. Events of Default. The occurrence of any of the following shall, after the giving of any notice described therein, constitute an event of default ("Event of Default") hereunder:

(1) The failure of Borrower to pay or perform any covenant or obligation hereunder or under the terms of this Agreement and/or the Note, without curing such failure within ten (10) days after receipt of written notice of such default from the COUNTY (or from any party authorized by the COUNTY to deliver such notice as identified by the COUNTY in writing to Borrower) or the failure of the Bank to honor any attempted draw on the Letter of Credit by the COUNTY in accordance with this Agreement. Provided, however, that if any default with respect to a non-monetary obligation is such that it cannot be cured within a 10-day period, it shall be deemed cured if Borrower commences the cure within said 10-day period and diligently prosecutes such cure to completion thereafter. Further provided, that the herein described notice requirements and cure periods shall not apply to the following (hereinafter, "Non-Curable Defaults"): (i) a failure by the Bank to honor any attempted draw on the Letter of Credit by the COUNTY made in accordance with the terms of this Agreement, or (ii) any Event of Default described in Sections 14 (A) (2) through 14 (A) (7) below;

(2) Any attempted assignment or transfer by Borrower not in compliance with Section 12 above;

(3) The falsity of any material representation or breach of any material warranty made by Borrower under the terms of this Agreement, the Note or any other document executed in connection herewith;

(4) A determination by the COUNTY or HUD that use of the Loan proceeds by Borrower does not constitute an eligible activity under the Act, 24 CFR 570.200 et seq., or other applicable regulations;

(5) Unless a replacement Letter of Credit is issued within 24 hours of notification to the Borrower, any material provision of the Letter of Credit shall at any time for any reason cease to be valid and binding on the Bank, or the validity or enforceability thereof shall be contested by the Bank or any governmental agency or authority, or the Bank shall deny it has any further liability or obligation thereunder, or the then issued Letter of Credit is not renewed or a replacement Letter of Credit acceptable to the COUNTY is not issued at least thirty (30) days prior to expiration of the then issued Letter of Credit if such originally issued Letter of Credit has an expiration date which is prior to one hundred (100) days after the Maturity Date of the Note;

(6) Borrower shall either (a) apply for or consent to the appointment of a receiver, trustee, liquidator or custodian or the like for any of its property, (b) fail to pay or admit in writing its inability to pay its debts generally as they become due, (c) make a general assignment for the benefit of creditors, (d) be adjudicated a bankrupt or insolvent or (e) commence a voluntary case under the Federal bankruptcy laws of the United States of America or file a voluntary petition or answer seeking an arrangement with creditors or an order for relief or seeking to take advantage of any insolvency law or file an answer admitting the material allegations of a petition filed against it in any bankruptcy or insolvency proceeding; or

(7) If without the application, approval or consent of Borrower, a

proceeding shall be instituted in any court of competent jurisdiction, under any law relating to bankruptcy, in respect of Borrower, for an order for relief or an adjudication in bankruptcy, a composition or arrangement with creditors, a readjustment of debts, the appointment of a trustee, receiver, liquidator or custodian or the like for Borrower or of all or any substantial part of Borrower's assets, or other like relief in respect thereof under any bankruptcy or insolvency law, and, if such proceeding is being contested by Borrower, in good faith, the same shall (a) result in the entry of an order for relief or any such adjudication or appointment, or (b) continue undismissed, or pending and unstayed, for any period of ninety (90) consecutive days.

B. Remedies. Upon the occurrence of an Event of Default hereunder, the COUNTY may, in its sole discretion, take any one or more of the following actions:

(1) By notice to Borrower (unless an Event of Default is a Non-Curable Default as defined in Sections 14 (A) (1) through 14 (A) (7) above in which case no notice shall be required), declare the entire principal balance of the Loan then unpaid together with interest accrued thereon immediately due and payable, and the same shall become due and payable without further demand, protest or further notice of any kind, all of which are expressly waived. Upon such declaration and in the event of a failure by the Bank to honor any attempted draw on the Letter of Credit by the COUNTY made in accordance with the terms of this Agreement in connection with such declaration, outstanding principal and (to the extent permitted by law) interest shall thereafter bear interest ("Default Interest") at the annual rate of interest equal to the lesser of (i) four

percent (4%) above the rate of interest announced from time to time by Wells Fargo Bank, Downtown Los Angeles Branch (or, in the event that said bank is acquired or ceases operations, then the successor bank or, if there is no successor bank, another established and financially secure institutional lender selected by the COUNTY), as its prime or reference rate, or (ii) the maximum rate of interest permitted to be paid to the COUNTY pursuant to any applicable usury law, payable from the date of such declaration until paid in full;

(2) Take any and all actions at law or in equity as may appear necessary or desirable, in the sole discretion of the COUNTY, in order to collect the amounts then due and thereafter to become due hereunder and under the Note, and to enforce performance and observance of any obligation, agreement or covenant of the Borrower under this Agreement or under any other document executed in connection herewith;

(3) Take any and all actions and do any and all things which are allowed, permitted or provided by law, in equity or by statute to enforce and collect upon the Note;

(4) Upon the occurrence of an Event of Default which is occasioned by Borrower's failure to pay money under this Agreement, the COUNTY may, but shall not be obligated to, make such payment from Loan proceeds or other funds of the COUNTY. If such payment is made from proceeds of the Loan or other funds of the COUNTY, Borrower shall deposit with the COUNTY, upon written demand therefor, such sum plus interest at the Default Rate. In either case, the Event of Default with respect to which any

such payment has been made by the COUNTY shall not be deemed cured until such repayment (as the case may be) has been made by Borrower. Until repaid, such amounts shall have the security afforded disbursements under the Note; and/or

(5) Upon the occurrence of an Event of Default described in Section 14 (A) (6) or 14 (A) (7) hereof, the COUNTY shall be entitled and empowered by intervention in such proceedings or otherwise to file and prove a claim for the whole amount owing and unpaid on the Loan and, in the case of commencement of any judicial proceedings, to file such proof of claim and other papers or documents as may be necessary or advisable in the judgment of the COUNTY and its counsel to protect the interests of the COUNTY and to collect and receive any monies or other property in satisfaction of its claim.

C. No Remedy Exclusive. No remedy herein conferred upon or reserved to the COUNTY is intended to be exclusive of any other available remedy or remedies, but each such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now existing at law or in equity or by statute; and may be exercised in such number, at such times and in such order as the COUNTY may determine in its sole discretion. No delay or omission to exercise any right or power upon the occurrence of any Event of Default hereunder shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient by the COUNTY. In order to

entitle the COUNTY to exercise any right or remedy reserved to it under this Agreement, no notice shall be required except as expressly provided herein.

15. DISBURSEMENT OF LOAN PROCEEDS

Loan proceeds shall be disbursed by wire transfer (pursuant to wiring instructions to be provided by Borrower) or check to Borrower, within fourteen (14) days after the COUNTY's receipt of Borrower's written request therefor, and receipt of the Letter of Credit, and at such time as the COUNTY receives an installment of the required CDBG funds from HUD and the County, and provided that (i) all the other conditions set forth in

Section 6 above have been satisfied, (ii) Borrower has submitted to the COUNTY, (1) an Application (s) and Certificate(s) for Payment, in the form of Exhibit "C" attached hereto (the "Borrower's Certificate"), completed by the Borrower, at least fourteen (14) days prior to the proposed date of the disbursement, and (iii) the COUNTY has not disapproved any such item or the amount indicated therefor. The COUNTY may disapprove any request for an item which it determines, in its sole and absolute discretion, violates or may violate any of the terms and conditions of this Agreement or the Laws, Regulations and Guidelines. In such case the COUNTY shall disburse the remainder of the request, subject to the terms and conditions set forth herein. Failure of the COUNTY to disapprove of any item in any request for disbursement shall not be construed as a representation, warranty, agreement or admission of the COUNTY that such disbursement complies with this Agreement or the Laws, Regulations and Guidelines, and Borrower shall remain responsible for assuring such compliance as provided

elsewhere in this Agreement. Unless the proceeds of the Loan are being used to reimburse Borrower for amounts expended for CDBG eligible costs, Borrower shall expend Loan proceeds immediately upon receipt and in no event later than seventy-two (72) hours after receipt thereof. Borrower must take the Initial Disbursement of Loan proceeds within ninety (90) days after the date of execution of this Agreement by the COUNTY.

16. AGREEMENT TO PAY ATTORNEYS' FEES AND EXPENSES

Borrower agrees to pay or reimburse the COUNTY, upon demand by the COUNTY, for all reasonable out-of-pocket costs incurred by the COUNTY in connection with the enforcement of this Agreement, the Note, including without limitation, reasonable attorneys' fees and costs (i) if the COUNTY shall determine to utilize an attorney to collect any sums due under this Agreement or any other documents executed in connection with this Agreement following any default by Borrower, or (ii) if the COUNTY becomes a party or otherwise appears in any legal proceeding relating to this Agreement or any documents issued hereunder or in connection herewith, or (iii) if there shall be filed by or against Borrower any proceedings under any federal or state bankruptcy or insolvency laws, whether the COUNTY is a creditor in such proceeding or otherwise.

17. CONFLICT OF INTEREST; NO INDIVIDUAL LIABILITY

No official or employee of the COUNTY shall have any personal interest, direct or indirect, in this Agreement, nor shall any official or employee of the COUNTY participate in any decision relating to this Agreement which affects such official's or employee's pecuniary interest in any corporation, partnership or association in which such official or employee is directly or indirectly interested. No official or employee of the COUNTY shall be personally liable in the event of a breach of this Agreement by the COUNTY.

18. RIGHT OF ACCESS AND INSPECTION

COUNTY shall have the right at any time during normal business hours and from time to time to enter upon the Site for purposes of inspection. If the COUNTY in its reasonable discretion determines that the Site is not being operated in conformity with this Agreement, or any Applicable Governmental Restrictions, the COUNTY may at its election, after notice to and consultation with the Borrower and affording the Borrower ten (10) days after such notice to cure the matter. Inspection by the COUNTY of the Project or the Site is not to be construed as an acknowledgment, acceptance or representation by the COUNTY or the County of Los Angeles that there has been compliance with any terms or provisions of this Agreement.

19. REPRESENTATIONS, WARRANTIES AND ADDITIONAL COVENANTS OF BORROWER.

Borrower hereby represents, warrants and covenants to the COUNTY that:

A. Organization and Standing. Borrower is a legal entity duly formed, qualified to operate in California and validly existing and in good standing in the State of California, and has all requisite power and authority to enter into and perform its obligations under this Agreement, the Note, the Deed of Trust, the CC&Rs, and all other documents executed in connection herewith.

B. Enforceability. This Agreement, the Note, the Deed of Trust, the CC&Rs, and all other instruments to be executed by Borrower in connection with the Loan constitute the legal, valid and binding obligation of Borrower, without joinder of any other party.

C. Authorization and Consents. The execution, delivery and performance of this Agreement and all other instruments to be executed in connection herewith is consistent with the operating agreement, partnership agreement, or articles and bylaws governing Borrower, and have been duly authorized by all necessary action of Borrower's members, partners, directors, officers and shareholders.

D. Due and Valid Execution. This Agreement and all other instruments to be executed in connection herewith, will, as of the date of their execution, have been duly and validly executed by Borrower.

E. Licenses. Borrower will obtain maintain all material licenses, permits, consents and approvals required by all applicable governmental authorities to own and operate the Project.

F. Litigation and Compliance. There are no suits, other proceedings or investigations pending or threatened against, or affecting the business or the properties of Borrower (other than those as have been previously disclosed in writing to the COUNTY)

which could impair its ability to perform its obligations under this Agreement, nor is Borrower in violation of any laws or ordinances which could impair Borrower's ability to perform its obligations under this Agreement.

G. Default. There are no facts now in existence which would, with the giving of notice or the lapse of time, or both, constitute an "Event of Default" hereunder, as described in Section 14.

H. No Violations. The execution and delivery of this Agreement, the Note, and all other documents executed or given hereunder, and the performances thereunder by Borrower, as applicable, will not constitute a breach of or default under any instrument or agreement to which Borrower may be a party nor will the same constitute a breach of or violate any law or governmental regulation.

I. No Affiliation with Lenders. Borrower is not under common ownership or is otherwise affiliated with any lender extending any Project Loan (as defined in the Note).

20. AMENDMENTS, CHANGES AND MODIFICATIONS

This Agreement may not be amended, changed, modified, altered or terminated without the prior written consent of the Parties.

21. EXECUTION OF COUNTERPARTS

This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same document.

22. NOTICES

All notices to be given under this Agreement shall be in writing and shall be delivered personally, by Federal Express or other like overnight courier or by certified or registered United States Mail, return receipt requested. Any notice shall be effective upon delivery or refusal to accept delivery, if delivered personally, one (1) day after deposit with the overnight courier, if delivered by Federal Express or other like overnight courier, and two (2) days after mailing, if delivered by certified or registered United States Mail. Notices to the Borrower shall be sent to the following address:

Housing Authority of the County of Los Angeles
Attn: Carlos Jackson
2 Coral Circle
Monterey Park, CA 91755

Notices, reports and statements to the COUNTY shall be delivered or sent to the following address:

Violet Varona-Lukens, Executive Officer
Executive Office
County of Los Angeles
Kenneth Hahn Hall of Administration, Room 383
500 West Temple Street
Los Angeles, CA 90012

With a copy to: Los Angeles County Counsel
Hall of Administration, Room 648
500 West Temple Street
Los Angeles, CA 90012
Attn: Eric Young, Esq., Principal Deputy

Each Party shall promptly notify the other Party of any change(s) of address to which notice shall be sent pursuant to this Agreement.

23. SEVERABILITY

The invalidity or unenforceability of any one or more provisions of this Agreement will in no way affect any other provision.

24. INTERPRETATION

Whenever the context requires, all words used in the singular will be construed to have been used in the plural, and vice versa, and each gender will include any other gender. The captions of the paragraphs of this Agreement are for convenience only and do not define or limit any terms or provisions. Time is of the essence in the performance of this Agreement.

25. NO WAIVER; CONSENTS

Any waiver by the COUNTY must be in writing and will not be construed as a continuing waiver. No waiver will be implied from any delay or failure by the COUNTY to take action on account of any default of Borrower. Consent by the COUNTY to any act or omission by Borrower will not be construed to be a consent to any other or

subsequent act or omission or to waive the requirement for the COUNTY's consent to be obtained in any future or other instance.

26. GOVERNING LAW

This Agreement shall be governed by the laws of the State of California.

27. AUTHORITY AND ENFORCEABILITY

The Borrower warrants and represents that its execution hereof has been
authorized by its organizational documents and the governing board(s) of its general partner(s), as appropriate, that the individual(s) executing this Agreement are authorized to do so, and this Agreement constitutes a legal, valid and binding obligation of Borrower. The Borrower further agrees to provide such documentation and an opinion of counsel, as requested by the COUNTY, with respect to such authority and enforceability.

28. LITIGATION AND COMPLIANCE

To Borrower's actual knowledge, there are no suits, other proceedings or investigations pending or threatened against, or affecting the business or the properties of Borrower (other than those as have been previously disclosed in writing to the COUNTY) which could materially impair its ability to perform its obligations under this Agreement,

nor is Borrower in violation of any laws or ordinances which could materially impair Borrower's ability to perform its obligations under this Agreement.

29. DEFAULT

To Borrower's actual knowledge, there are no facts now in existence which would, with the giving of notice of the lapse of time, or both, constitute an "Event of Default" hereunder, as described in Section 14.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the
date and year first above written.

"COUNTY"

COUNTY OF LOS ANGELES

By: _____
Don Knabe
Chairman

Title: _____

Date: _____

APPROVED AS TO FORM:

County Counsel

By: _____
Principal Deputy

HACOLA/Loan Agreement

"BORROWER"

HOUSING AUTHORITY OF THE
COUNTY OF LOS ANGELES.

By: _____
Carlos Jackson
Executive Director

Title: _____

Date: _____

APPROVED AS TO PROGRAM

By: _____
Cordé Carrillo
Director, Economic/Redevelopment

EXHIBIT A

PROMISSORY NOTE

For value received, the undersigned, the **Housing Authority of the County of Los Angeles**, whose address is **2 Coral Circle, Monterey Park, CA 91755** ("Borrower"), promises to pay to the order of the County of Los Angeles ("COUNTY"), a public body corporate and politic, at 500 West Temple Street, Los Angeles, CA 90012, Attention: Executive Officer (or at such other address as the COUNTY may direct), the principal sum of Six Million Two-Hundred Thousand dollars (\$6,200,000), or so much thereof as may be advanced hereunder from time to time, or on or before _____, 200 , (the "Maturity Date"), together with interest on the outstanding principal amount hereof at the rate of one percent (1%) per annum. Interest on the outstanding principal hereof shall be payable in arrears commencing on the first day of the calendar month immediately following the calendar month during which sums are first advanced hereunder and thereafter on the 1st day of each succeeding month. Interest shall be computed on the basis of actual number of days and a 365-day year.

If a payment of interest not timely made remains overdue for a period of ten (10) days after the same becomes due and payable, Borrower, without notice or demand by the COUNTY or any other holder, shall pay a late charge in an amount equal to five percent (5%) of the delinquent interest owing (the "Late Charge"). Borrower agrees that an amount equal to the Late Charge is a reasonable estimate of the damage to the COUNTY or other holder in the event of late payment of interest under this Promissory Note.

This Promissory Note is made pursuant to the terms of the Loan Agreement dated as of _____, 200 , (the "Agreement") entered into between Borrower and the COUNTY, and is secured by a direct pay, irrevocable, unconditional and callable upon demand letter of credit (the "Letter of Credit") issued by Northern Trust (or another bank acceptable to the COUNTY in its sole discretion) for the account of Borrower in favor of the COUNTY.

Borrower shall, upon demand by the COUNTY, pay to the COUNTY, Mandatory Prepayments (as hereinafter defined) of principal and interest at such times and in such amounts as the COUNTY may determine from time to time in its sole discretion. As used herein, "Mandatory Prepayments" means a demand for prepayment by the COUNTY for the partial or total prepayment of the principal and/or interest due on the loan evidenced by this Promissory Note. In the event of any Mandatory Prepayment, the COUNTY shall give Borrower ten (10) days to make required payment to the COUNTY.

Borrower shall also have the right to make optional prepayments, at any time, without penalty, upon at least ten (10) days prior written notice to the COUNTY.

Borrower agrees that it will still be liable for repayment of this Promissory Note, even if the holder hereof does not follow the procedures of presentment, protest, demand, diligence, notice of dishonor and of nonpayment, which requirements are hereby waived.

In the event of a default in the timely payment of principal and/or interest on this Promissory Note, and/or upon the occurrence of an Even of Default (as defined in the Agreement), the COUNTY may, subject to any applicable notice requirements set forth in the Agreement and among other remedies, declare the unpaid balance hereof, together with accrued interest hereon, to be immediately due and payable. Upon such declaration, outstanding principal and (to the extent permitted by law) interest shall thereafter bear interest at the annual rate of interest (the "Default Rate") equal to the lesser of (i) four percent (4%) above the rate of interest announced from time to time by Wells Fargo Bank, Downtown Los Angeles Branch (or, in the even that said bank is acquired or ceases operations, then by a successor bank or, if there is no successor bank, another established and financially secure institutional lender selected by the COUNTY), as its prime or reference rate, or (ii) the maximum rate of interest permitted to be paid to the COUNTY pursuant to any applicable usury law payable from the date of such declaration until paid in full.

It is the intention of Borrower and COUNTY to conform strictly to the usury laws that are applicable to this Promissory Note. This Promissory Note and any other agreements between Borrower and the COUNTY are hereby expressly limited so that in no contingency or event whatsoever shall the amount paid or agreed to be paid to the COUNTY or the holder hereof exceed the maximum amount permissible under applicable usury laws. If under any circumstances fulfillment of any provision of this Promissory Note, the Agreement or any other agreement between Borrower and the COUNTY shall involve exceeding the limit of validity prescribed by the law, then the obligation to be fulfilled shall be reduced to the limit of such validity. All sums paid or agreed to be paid to the COUNTY or the holder, to the extent permitted by applicable law, and to the extent necessary to preclude exceeding the

Limit of validity prescribed by law, shall be amortized, prorated, and allocated and spread from the date of disbursement of the proceeds of this Promissory Note until payment in full of this Promissory Note so that the actual rate of interest on account of such indebtedness is uniform throughout the term hereof.

Borrower is responsible for reimbursement to the COUNTY for all costs incurred in connection with the enforcement of this Promissory Note, including attorneys' fees and costs, whether or not suit is filed, as is further provided in Section 16 of the Agreement.

This Promissory Note shall be construed in accordance with and governed by the laws of the State of California. Borrower hereby submits to personal jurisdiction in Los Angeles County, California, for the enforcement of Borrower's obligations hereunder, and waives any defense to such jurisdiction, including, without limitation, any defense based on venue or inconvenient forum. Failure of the COUNTY to exercise any right or remedies hereunder shall not constitute a waiver of any future or other default. Amendments to this Promissory Note shall be in writing signed by the party against whom such amendment is sought to be enforced.

DATED AS OF: _____, 200 .

HOUSING AUTHORITY OF THE COUNTY OF LOS ANGELES.

By: _____

Its: Executive Director

APPROVED AS TO FORM:

County Council

By: _____

Principal Deputy

EXHIBIT B

IRREVOCABLE LETTER OF CREDIT

EXPIRY

NO.:

DATE OF ISSUE: _____
DATE AND PLACE OF

LETTER OF CREDIT

BENEFICIARY:

County of Los Angeles
500 West Temple Street
Los Angeles, CA 90012

Dear Sirs:

At the request and for the account of _____, we hereby establish in your favor our irrevocable letter of credit in the amount of _____ (S _____, United States Dollars) available with ourselves by payment of your draft(s) drawn on us at sight, each accompanied by your signed and dated statement in the form of the Annex attached hereto.

Each draft must be marked "Drawn under Bank, Letter of Credit No. _____ dated _____, 2004".

Partial drawings under this letter of credit are permitted.

Each draft presented hereunder must also be accompanied by the original of this letter of credit upon which we may endorse the amount of our payment.

Each draft must be presented to us, on or before _____, 2004, on which date this letter of credit expires, at our above office.

We hereby engage with you that each draft drawn and presented to us under and in compliance with the terms of this letter of credit will be duly honored by us at or before our close of business on the same banking day of our receipt of such draft provided such draft is presented at or prior to 12:00 noon; otherwise, any draft presented after 12:00

noon shall be honored at or before our close of business on the first banking day following receipt of such draft. Each payment made by us hereunder shall be made in immediately available United States Dollars.

This letter of credit is subject to the Uniform Customs and Practice for Documentary Credits (1993 Revision) International Chamber of Commerce Publication No. 500.

By: _____
STATEMENT

I, an authorized officer of the County of Los Angeles, hereby certify that the County of Los Angeles (the "County") is making demand for payment under

Bank, Letter of Credit No. _____ in respect of amounts (i) owed as of the date of this Statement by _____ (the "Borrower") under that certain Loan Agreement dated _____ by and between the Borrower and the Commission (the "Agreement"), and/or (ii) otherwise permitted to be drawn from said Letter of Credit as provided in the Agreement.

(Insert Date)

County of Los Angeles

By:

Officer

Violet Varona-Lukens, Executive

EXHIBIT C

APPLICATION AND CERTIFICATE FOR PROGRESS PAYMENT

Project: _____

Site Address: _____

Requisition No.: _____

Amount: \$ _____

SEE ATTACHED APPLICATION(S) AND CERTIFICATE(S) FOR PAYMENT

Request for Payment

I certify that the above requested draw/progress loan payment is consistent with and in

accordance with the Loan Agreement dated _____, 2002,

between the Housing Authority of the County of Los Angeles and the County of Los Angeles.

Borrower Name: _____

By: _____ Date: _____

Its: _____

Authorization for Payment

Approved for payment in the amount of: \$ _____

County of Los Angeles

By: _____ Date: _____

Attachment B

Description of Housing Authority Renovations

Project	Project Number	Project Mgmt	Estimated Goals	Description	Cost Estimate
First District					
Nueva Maravilla Irrigation System Repair	600633	CMD	1	Replacement of the sprinkler heads throughout the site including new master controllers and new wiring	\$500,000
Nueva Maravilla Electrical	600693-03	CMD	504	This continuing project is the final phase of the completely new state of the art underground electrical distribution system in the Nueva Maravilla Development. The project will include the placement of main lines, distribution lines, conduit, trenching, repair of landscaping, new meters, new transformers, new required connections, testing and corrections, and all related and incidental work	\$1,000,000

Second District					
South Bay Gardens Paint and Renovation/Balconies	600692-03	CMD	100	This continued project entails substantial interior and exterior rehabilitation including replacement of deteriorated common area flooring throughout and replacement of deteriorated rooftop-mounted Heating Ventilation Air Conditioning (HVAC) system. Exterior work involves refurbishing all balconies by replacing rotted substrate and framing, waterproofing and installing new railings. Rehabilitation activities will also include removing and replacing rotten wood siding and complete exterior patching and painting stucco	\$900,000

Fourth District					
Carmelitos Family Parking Lot and Sidewalks	600625	CMD	15	Replacement of the deteriorated existing parking lots	\$2,500,000

District Wide					
Senior Units Heater Replacement	600691-03	HMD / CMD Labor Compliance	1104	Replacement of unit heaters at Harbor Hills, Foothill Villa, Orchard Arms, and Carmelitos	\$1,300,000



COMMUNITY DEVELOPMENT COMMISSION

County of Los Angeles

2 Coral Circle • Monterey Park, CA 91755

323.890.7001 • www.lccdc.org

Gloria Molina
Yvonne Brothwaite Burke
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

Carlos Jackson
Executive Director

April 28, 2004

Honorable Housing Commissioners
Housing Authority of the
County of Los Angeles
2 Coral Circle
Monterey Park, California 91755

Dear Commissioners:

APPROVE ADMINISTRATIVE AND PERSONNEL POLICIES FOR THE COMMUNITY DEVELOPMENT COMMISSION (ALL DISTRICTS)

IT IS RECOMMENDED THAT YOUR COMMISSION:

Recommend that the Board of Commissioners approve the Community Development Commission's amended Administrative and Personnel Policies, which provide a framework for the Commission's personnel system and ensure compliance with Federal and State regulations, to be effective upon the date of Board approval.

PURPOSE/JUSTIFICATION OF THE RECOMMENDED ACTION:

The recommended revisions to the Commission's Administrative and Personnel Policies will update policies to provide conformity with Federal and State regulations and clarify existing policies. The Board of Commissioners of the Housing Authority must approve the amendments to the Administrative and Personnel Policies, because Housing Authority funds are used to pay for the salaries and benefits of Community Development Commission personnel performing Housing Authority functions.

FISCAL IMPACT/FINANCING:

There is no fiscal impact associated with the Commission's amended Administrative and Personnel Policies. In the future, the Commission's liabilities for the retiree medical program are expected to decrease as a result of the changes made to the policy.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

On December 28, 1982, the Board adopted a Resolution establishing the Commission's Administrative and Personnel Policies and provided the framework for the current personnel system. The Board approved amendments to the Administrative and Personnel Policies on May 5, 1988, April 12, 1990, June 11, 1992, November 21, 1995, and April 3, 2001.

Many of the changes to the current Administrative and Personnel Policies consist of minor language edits for purposes of clarity. In addition, specific policies are amended or added as follows:

Section 119 - maintenance workers shall receive overtime compensation for emergency after-hours service after the completion of 40 regular hours during the workweek, in accordance with overtime provisions;

Section 130 - personal auto insurance is primary when the employee is involved in a vehicle accident when using his/her personal vehicle to perform Commission-related business; and employees without valid drivers' licenses shall not be permitted to drive for Commission-related business;

Section 140 - smoking is prohibited inside all Commission facilities and within 20 feet of any entrance to a Commission facility;

Section 202.2 - employees contributing to the California State Disability program may be eligible to apply for temporary family disability benefits;

Section 205 - the Consolidated Omnibus Budget Reconciliation Act (COBRA) includes recent federal and state requirements.

Section 404 - parental leave for school visits is extended to guardians or grandparents having custody of a child; and

Section 409 - employees who are victims of domestic violence are eligible to request a confidential unpaid leave from work.

In addition to the above changes, the retiree medical policy portion of the Administrative and Personnel Policies, Section 216, was modified to comply with Statement Nos. 26 and 27 of the Governmental Accounting Standards Board. This Board establishes standards of financial accounting and reporting for state and local governmental entities. Statements Nos. 26 and 27 will be modified in 2006 requiring public agencies to disclose the financial status and activity of post-employment healthcare benefits plans.

In addition to the above changes, the Retiree Medical portion of the Administrative and Personnel Policies, Section 216, was modified to ensure adequate funding of the retiree medical plan based upon estimated future premium payments. This section is amended, effective January 1, 2005, as follows: retirees must enroll in Medicare Parts A & B upon reaching eligibility age; the medical insurance benefit is capped so the Commission's contribution does not exceed the highest amount contributed for a current employee of the Commission for employee only medical insurance; and the Commission's contribution towards the payment of medical insurance for retirees residing outside of the service area of current health plans does not exceed the highest amount contributed for a current employee of the Commission for employee only medical insurance. The Commission also reserves the right to modify the retiree benefit in the future, if needed.

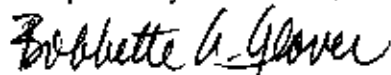
These modifications will permit adherence to the disclosure requirements with Statements Nos. 26 and 27 of the Governmental Accounting Standards Board. This Board establishes standards of financial accounting and reporting for state and local governmental entities. Statements Nos. 26 and 27 will be modified in 2006 requiring public agencies to disclose the financial status and activity of post-employment healthcare benefits plans.


County Counsel and special labor counsel have reviewed the revised policies. The Chief Administrative Office has reviewed this letter.

IMPACT ON CURRENT PROGRAM:

The recommended revisions of the Administrative and Personnel Policies will incorporate required regulations and update policies and procedures.

Respectfully submitted,



 CARLOS JACKSON
Executive Director

Attachment: 1

P L E A S E N O T E

The changes to the Administrative and Personnel Policies are tracked by using italics to represent inserted (new) language and strikethrough (-) to represent deleted text.

**COMMUNITY DEVELOPMENT COMMISSION
OF THE COUNTY OF LOS ANGELES
ADMINISTRATIVE AND PERSONNEL POLICIES**

Revised June, 2004

These policies are applicable to regular employees.

Detailed provisions of a number of these policies are supplied in the Commission's Administrative Policies and Procedures, which are applicable to all Commission employees. All employees should be thoroughly familiar with these documents.

100 DEFINITIONS AND GENERAL PROVISIONS

101 Commission

"Commission" means the Community Development Commission of the County of Los Angeles.

102 Board

"Board" means the Board of Commissioners of the Community Development Commission of the County of Los Angeles.

103 Executive Director

"Executive Director" is the Commission's Chief Executive Officer.

104 Appointments

104.1 Officers

An "Officer" is a person appointed to the position of Executive Director, Assistant Executive Director, Director or Manager.

104.2 Temporary Appointments

"Temporary Appointment" means employment of a person to be paid on an hourly basis. Appointments are limited to six months duration unless extended by the Executive Director.

104.3 Contract Appointments

"Contract Appointment" means employment of a person to be paid on an hourly or salary basis. Employment is based on the terms and conditions set forth in the Agreement for Contract Employment. Duration of the employment contract/agreement may not exceed 12 months, but may be renewed at the discretion of the Executive Director.

104.4 Regular Appointments

"Regular Appointment" is employment other than as an Officer, or as a contract appointment, or a temporary appointment.

104.5 Acting Appointments

"Acting Appointment" is the temporary assignment of a contract employee to a different contract position, the temporary assignment of a regular employee to a different regular position, the temporary assignment of an Officer to a different Officer position, or the temporary assignment of a regular employee to an Officer position. An acting appointment may be made for a period not to exceed six months. During the acting appointment, adjustments may be made to the acting appointee's pay or benefits.

104.6 Conditions of Appointment

Except as may be prescribed by statute or as may be provided by the Commission, the Executive Director serves at the pleasure of the Commission. All other Officers, all temporary, regular and contract employees, and all acting appointees serve at the pleasure of the Executive Director.

104.7 Independent Contractor Consultant

An "Independent Contractor Consultant" is a person who is employed by a sole proprietorship, employed by a separate public agency, or employed by a private employer, but who performs services for the Commission pursuant to a contract. An Independent Contractor Consultant may serve the Commission in any capacity, including as an Officer, but shall only be entitled to the benefits and privileges expressly specified in the respective contract.

105 Administrative Authority

The Executive Director is authorized to make any personnel appointment and take any action necessary to manage the Commission consistent with budgetary authorization and approved policies.

106 Equal Employment

The Commission is committed to equal employment opportunity without regard to race, national origin, color, ancestry, religion, sex, *gender identity*, marital status, political affiliation, disability, age, or sexual orientation.

107 Political Activity

No Officer or employee shall engage in political activities during work hours nor represent his/her position as an Officer or employee while engaging in partisan political activities during non-work hours.

108 Conflict of Interest

A "conflict of interest" is when an employee is involved in activity, which, for any reason is in conflict with the Commission's best interests.

~~It is the policy of the Commission that all Officers and employees of the Commission shall maintain the highest standards of conduct and integrity and shall have no outside interests, which may be incompatible or involve a conflict of interest with their duties, functions, and responsibilities as Commission Officers or employees.~~

Officers and employees shall not accept, directly or indirectly, payments, loans, commissions, services, promises of future benefits, gifts, gratuities, merchandise or other items of value, from any organization or individual doing business with the Commission, except for meals and social invitations of nominal value, which are in keeping with good business ethics and do not obligate the recipient. All Officers and employees should not become involved in a conflict of interest situation which is real or apparent which may involve favoritism, collusion or other fraudulent practice.

No Officer or employee at any level of the Commission may serve as a director, officer, partner, employee, consultant, agent or representative, or have a financial interest in any organization which does business with or is affiliated with the Commission, unless on the basis of full disclosure and such association has the specific written approval of the Executive Director. In addition, Officers and employees are required to abide by applicable federal, state and local statutes, regulations, and ordinances concerning conflicts of interests.

Employees must be free of any investment in (other than ownership of less than 3% of the shares in any publicly traded company, less than 3% of the shares in any publicly traded real estate investment trusts, and/or less than 3% of the interest in any publicly traded limited partnerships, and/or investments in mutual funds), or association with vendors, contractors, or suppliers which might interfere or appear to interfere with the independent exercise of

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judgment by employees in the best interests of the Commission. A ~~"conflict of interest" is when an employee is involved in activity, which, for any reason is in conflict with the Commission's best interests.~~

While employed by the Commission, employees may not solicit, contract with or perform services for any vendors, contractors, or suppliers of the Commission. This includes "freelance" activities, which are the same or substantially similar to the services provided by the employee to the Commission. Employees of the Commission may not solicit or accept any gift or gratuity in excess of nominal value for performing their services from the Commission, including but not limited to as expressly prohibited by Penal Code section 70.

Employees also may not be involved in activities constituting a conflict of interest on the Commission's time, and also during off-duty time. Employees may not use the Commission's equipment, materials, resources, or "confidential" information, including but not limited to as defined in Government Code Section 1098, except to further the best interests of the Commission. Conflicts of interest include but are not limited to activities prohibited in Government Code sections 1090, 1098, and 1126.

Violation of this ~~Agreement~~ *conflict of interest policy* is a basis for discipline, up to and including termination. Furthermore, violation of this ~~agreement~~ *conflict of interest policy* may be a basis for a civil suit, which may include the Commission seeking injunctions to prevent irreparable harm to its interests as a result of the disclosure or use of confidential information or trade secrets.

108.1 Duty to Report Violations to the Commission

Employees are also required to *immediately* report to Human Resources ~~immediately~~ any violation of this Conflict of Interest Policy by any other employee of the Commission. Employees are also required to *immediately* report to Human Resources ~~immediately~~ any attempted bribe, bribe, attempted kickback and/or kickback, discussed or made by any vendors, suppliers, and/or employees of the Commission.

Failure to *immediately* report known violations of the Conflict of Interest Policy by others, including but not limited to the Commission's vendors, suppliers, and/or employees, will result in disciplinary action, up to and including termination.

109 Outside Employment

Executive Director approval in writing is required for all outside employment.

In general, the Commission has no objections to non-exempt employees only obtaining an additional job. However, if a non-exempt employee obtains additional employment with a business enterprise or public agency with which the Commission competes, or with which the Commission presently has or subsequently has a business relationship, or if there is a potential conflict of interest, the Commission may, as a condition of continued employment, require the non-exempt employee to refuse or resign from the additional job. Furthermore, the Commission will hold all non-exempt employees to the same standards of performance and work schedules, and cannot make exceptions for non-exempt employees holding additional jobs.

All Officers and employees of the Commission must obtain the written approval of the Executive Director before accepting any outside employment or engaging in any business as an independent contractor, partner, or a sole proprietor. Accepting or continuing outside employment in violation of this policy may result in immediate termination.

No Officer or employee at any level of the Commission may serve as a director, officer, partner, employee, consultant, agent, or representative, or have a financial interest in any organization unless on the basis of full disclosure and such association has the specific written approval of the Executive Director. In addition, Officers and employees are required to abide by applicable federal, state and local statutes, regulations, and ordinances concerning outside employment.

Pursuant to Government Code 1126 an employee's outside employment, activity or enterprise for compensation may be prohibited if it: (1) involves the use for private gain or advantage of his/her Commission time, facilities, equipment and supplies, badge, uniform, prestige, or influence of his/her Commission office or employment; (2) involves receipt or acceptance by the Officer or employee of any money or other consideration from anyone other than the Commission for the performance of an act which the Officer or employee, if not performing such act, would be required or expected to render in the regular course or hours of his/her Commission employment or as a part of his/her duties as a Commission Officer or employee; (3) involves the performance of an act in other than his/her capacity as a Commission Officer or

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employee which may later be subject directly or indirectly to the control, inspection, review, audit, or enforcement of any other Officer or employee of the Commission, or (4) involves the time demands as would render performance of his/her duties as a Commission Officer or employee less efficient.

110 Employment of Relatives

No person shall be employed or be contracted with for services who is related within the first degree of consanguinity—father, mother, sister, brother, spouse, or child—to an Officer or employee or a member of the Board, unless approved in advance by the Executive Director.

110.1 Employment of Spouse

An employment decision shall not be based on whether an individual has a spouse presently employed by the Commission except in accordance with the following criteria:

- 1) For business reasons of supervision, safety, security or morale the Commission may refuse to place one spouse under the direct supervision of the other spouse.
- 2) For business reasons of supervision, security or morale, the Commission may refuse to place both spouses in the same department, division or facility if the work involves potential conflicts of interest or other hazards greater for married couples than for other persons.

110.2 Accommodation for Co-Employees Who Marry

If co-employees marry, the Commission shall make reasonable efforts to assign job duties so as to minimize problems of supervision, safety, security, or morale.

111 Employment of Persons Who Live in the Same Residence

No person shall be employed or be contracted with for services who lives in the same residence as an Officer or employee or a member of the Board, without the advance written approval of the Executive Director. Employment decisions regarding persons who live in the same residence shall be made in accordance with the following criteria:

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- 1) For business reasons of supervision, safety, security or morale, the Commission may refuse to place an employee who lives in the same residence with another employee under the direct supervision of the employee with whom he/she lives.
- 2) For business reasons of supervision, security or morale, the Commission may refuse to place an employee who lives in the same residence with another employee in the same department, division, or facility, if the work involves potential conflicts of interest or other hazards greater for these employees than for other employees.
- 3) Employees who plan to live in the same residence shall provide advance notice of such to their division(s) management to enable management to assign job duties so as to minimize problems of supervision, safety, security or morale.

112 Working Hours

The standard workday is eight hours.

With approval from the Executive Director, Officers and employees may work an alternative 9/80 schedule. The 9/80 schedule involves working 80 hours over a 9 day period. On this alternative work schedule, Officers and employees may work nine hours in a workday.

113 Workweek

The standard workweek begins at 12:01 p.m. on Friday and ends at 12 noon the following Friday.

114 Work Schedule

The Executive Director shall assign work schedules as necessary to accomplish Commission business. Unless assigned to an alternate schedule, employees shall work from 8 a.m. to 5 p.m., with a one hour unpaid lunch break.

115 Overtime Standard

Overtime means time spent in excess of a standard workweek. Employees may be required to work hours in excess of the standard workweek at the discretion of the Executive Director. Overtime for non-exempt employees will be compensated with compensatory time off on a time and one-half basis for all hours

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worked over forty in a workweek or, with Executive Director approval, pay at time and one-half of the employee's regular rate of pay.

Exempt employees are Officers and other professional employees of the Commission that comply with the Federal Fair Labor Standards Act regulations for exemptions. Exempt employees are paid on a salary basis, which amount is not subject to reduction because of the quality or quantity of the work performed. Exempt employees will not have deductions made from their pay for absences of less than one day. The Executive Director may approve up to five days of paid Administrative Leave per year for Officers in lieu of compensatory time.

115.1 Emergency/Holiday Overtime Pay

When a Commission employee is required to return to work on an observed holiday or weekend immediately following or preceding the holiday due to an emergency situation, the employee shall be compensated at two times the regular rate of pay for time worked in excess of 2 two hours. An emergency situation is one in which the employee has to ~~respond immediately, upon~~ *immediately respond* to the request of the Director or designee, and does not have the option to choose which day he/she can complete the work.

116 Employment Layoff

An Officer or employee may be laid off at the discretion of the Executive Director for any of the following reasons: (1) loss of funding; (2) lack of work; or (3) other budgetary considerations. In the event of a layoff, the Officer or employee will be given either two weeks notice or immediate separation with two weeks severance pay.

An employee who is laid off will have recall rights for three (3) months. Thereafter, he/she will lose all employee status with the Commission.

117 Medical Examination

Once an offer of employment with the Commission is made, a candidate for an Officer, regular, contract or some specified temporary positions is required to submit to a medical examination performed by an industrial medical facility specified by the Commission to determine his/her ability to perform the essential

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functions of the job offered. An Officer or employee may be required to submit to a medical examination after appointment. The examination ~~will be~~ *is* for the purpose of determining the Officer's or employee's physical and/or mental capabilities to perform ~~the~~ job duties of the position applied for in accordance with federal and state laws regarding persons with disabilities.

118 Background Investigation

An Officer or employee may be required to submit to a background investigation prior to or after appointment to determine his/her suitability to perform assigned duties. Fingerprinting may be required for the background investigation.

119 Maintenance Standby and ~~Callback Policy~~ "On Call" Status

To ensure that housing developments will receive emergency repairs during ~~the weekend~~ hours not covered by the normal work schedule, it is the policy of the Commission that employees in the Maintenance Worker I, II, and III, and IV ~~(provided that a Maintenance Worker IV is working in a lead capacity and not a skilled trade or supervisory capacity)~~ classifications may *shall* be assigned to standby "on call" status at the discretion of the Executive Director.

It is the practice of the Commission that those Maintenance Workers I, II, and III, ~~and IV listed above~~, who are required *assigned* to be available on a standby basis to respond to emergency calls from 6:00 p.m. Friday through 5:30 a.m. Monday, ~~the end of the work day Friday to the subsequent Friday~~, shall receive standby compensation ~~for that period equivalent to~~ of eight hours pay at the minimum wage rate, to be authorized by the Executive Director. Recognized holidays falling on days consecutive with the weekend ~~will be~~ *are* considered as part of the normal standby compensation.

~~A maintenance employee may be called during weeknights to respond to an emergency. All Maintenance Workers may be called to respond to an emergency during hours not covered by their normal work schedule. However, he or she is~~ Maintenance Workers are not required to remain on the employer's premises, but ~~is required to~~ *must* notify Commission officials of where ~~he or she they~~ may be reached, ~~and is therefore, not working while on call. Therefore, they are not working while on call.~~

Maintenance Workers, including skilled trades, ~~who are not in supervisory positions and~~ who are required to return to work to respond to an emergency call after the termination of his/her normal

work shift and departure from the work location, but not less than 2 hours before the starting time of the next regular shift, shall be compensated for ~~4 hours of work or~~ the actual time required to respond to the emergency call(s), ~~whichever is greater,~~ calculated at 1 1/2 times their regular rate of pay. ~~in accordance with the overtime provision established in Section 115.~~ *Employees shall receive overtime compensation for emergency after-hours maintenance service after the completion of forty regular hours during the workweek in accordance with the overtime provisions established in Section 115.*

When a *Maintenance Worker* ~~maintenance employee~~ is required to return to work on an observed holiday or weekend immediately following or preceding the holiday, the *Maintenance Worker* ~~maintenance employee~~ shall be compensated at two times *his/her* the regular rate of pay for time worked in excess of 2 hours.

120 Performance Evaluation System

The Executive Director shall establish and maintain a performance evaluation system that objectively assesses employee job performance in relation to assigned responsibilities. Written performance evaluations will be made at least annually. To be eligible for a salary increase, the employee must have satisfactorily performed the job requirements for his/her position during the period preceding the evaluation. An employee evaluated as not having satisfactorily performed job requirements will be placed on a Needs Improvement Plan and/or subject to disciplinary action up to and including termination.

121 Personnel Classification

The Executive Director shall administer and maintain a personnel classification system.

122 Salary Placement

The Executive Director is authorized to make job appointments at a rate of pay within the approved job classification salary range for the purpose of attracting and retaining experienced and qualified personnel.

123 Advanced Level Placement

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In order to be equitable and competitive, the Executive Director may make employee placement above the beginning of the classification salary range when justified by the candidate's experience and background.

124 Salary Movement

Based on job performance, Officer or employee compensation may be adjusted within the approved classification salary range. Salary adjustments are effective the day the adjustment is authorized by the Executive Director. Salary adjustments authorized in connection with an employee's annual performance evaluation are effective on an employee's anniversary date for the position they are currently holding. The compensation rate of the Executive Director will be adjusted in accordance with Board directives and approval.

125 Advanced Salary Movement

The Executive Director will report quarterly to the Board any Officer or employee salary increase exceeding 10% of previous salary.

126 Incentive System

To encourage outstanding performance in the achievement of Commission goals, the Executive Director shall be responsible for administering the Employee Incentive Program to reward valuable contributions or suggestions made by employees. Officers and employees shall be eligible to participate in the Incentive Program.

127 Bilingual Compensation

Employees may receive a monthly stipend *compensation* upon successful completion of a bilingual proficiency exam with written *Division* Director authorization, when the position assignment requires fluency in English and another language. *Employees are not eligible for bilingual compensation during any unpaid leave of absence.*

128 Holidays

On the observance days shown below, Officers and regular employees shall be entitled to the following paid holidays as long as they have been compensated for the day before and the day after the holiday is observed:

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<u>Holidays</u>	<u>Observations</u>
New Year's Day.....	January 1
Martin Luther King Jr.'s Birthday.....	Third Monday in January
Presidents' Day.....	Third Monday in February
Memorial Day.....	Last Monday in May
Independence Day.....	July 4
Labor Day.....	First Monday in September
Columbus Day.....	Second Monday in October
Veterans' Day.....	November 11
Thanksgiving Day.....	Fourth Thursday in November
Day after Thanksgiving.....	Friday after Thanksgiving
Christmas Day.....	December 25

When a holiday occurs on a Saturday, the preceding Friday will be observed. When a holiday occurs on a Sunday, the following Monday will be observed. Regular employees scheduled to work on holidays will be credited with compensatory time for hours worked on that day.

Employees on leave without pay are not entitled to holiday pay.

128.1 Floating Holiday

In addition to the above holidays, one floating holiday per calendar year may be taken when approved in advance. Any floating holiday not used at the time of separation or at the end of the calendar year will be forfeited.

129 Mileage, Travel Expense and Automobile Allowance

129.1 Mileage and Travel Expenses

The Executive Director shall from time to time determine and submit for Board approval a reasonable reimbursement formula(s) and maximum reimbursement limit(s) to compensate Officers and employees for mileage and travel related expenses incurred on Commission business. All mileage, travel, and related expenses must be approved in advance by the Executive Director or his/her designee.

129.2 Auto Allowance

Subject to the authorization of the Executive Director, Officers are eligible for a fixed monthly automobile

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allowance. Officers receiving such allowance are not eligible to receive mileage reimbursement. This allowance is separate from reimbursement for car rental expenses incurred in connection with authorized business travel.

130 Use of Personal Vehicles

The Executive Director may require any Officer or employee to provide his / or her own transportation to conduct Commission business. Staff using personal vehicles must maintain State of California minimum insurance coverage. Operating a Commission vehicle with an expired or suspended driver's license will result in *discipline disciplinary action* up to and including termination. *If an employee is involved in a vehicle accident using their personal vehicle, their insurance is primary. The Commission's insurance is excess over and above all other existing insurance policies.*

The Commission maintains driving records for appropriate all employees who are required to drive on Commission business. Excessive accidents and/or violations or uninsurability, except at premiums higher than the majority of other Commission drivers, may result in disciplinary action leading up to and including termination. Furthermore, employees who drive without being properly a valid *drivers licensed, for example, a suspended and/or expired license* in the course and scope of their employment with the Commission, are subject to disciplinary action up to and including unpaid suspension and/or termination.

Finally, Commission employees who drive in the course and scope of their employment with for the Commission, must immediately *advise notify Risk Management if Human Resources* when their drivers' licenses have expired, without possible renewal, and/or and or have been suspended. *suspended, and shall not be permitted to drive on Commission business either in a Commission or their personal vehicle.* Failure to do so may result in termination.

131 Professional Memberships/Dues

Subject to available funding, the Executive Director shall provide for necessary professional memberships, dues and publications.

132 Removal of Personnel

132.1 Officers and Regular Employees

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All Officers and regular employees serve at the pleasure of the Executive Director and therefore may be removed at any time without stated cause. Officers and regular employees charged with misconduct shall be provided, in writing, pre-removal notification of the charge, the reasons therefore and the opportunity to respond. The pre-removal notification procedure shall be for the purpose of protecting the "liberty interests" of Officers and employees and does not in any way modify the right of the Commission to terminate Officers and employees at the pleasure of the Executive Director.

132.2 Temporary Employees

Temporary employees may be removed at the pleasure of the Executive Director without stated cause.

132.3 Contract Employees

Contract employees may be removed at the pleasure of the Executive Director without stated cause.

132.4 Acting Appointees

Acting appointees may be removed from such acting positions at the pleasure of the Executive Director.

133 Grievance Procedure

The Executive Director shall administer a grievance procedure for regular employees *only*, except that such procedure shall be exclusive of disciplinary matters. "Disciplinary matters" include, but are not limited to, demotion, suspension or removal.

134 Separation Pay

Upon separation, an Officer or employee will be compensated at his/her regular rate of pay for accrued annual leave or vacation pay. An employee will be compensated for his/her accrued overtime hours. An Officer or employee who purchases Elective Annual Leave will be compensated for leave purchased but not taken. An employee whose Elective Annual Leave for the calendar year has been exhausted and still shows a balance owing on purchased days will have the balance deducted from the employee's final pay check.

135 Additional Provisions

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The Executive Director is authorized to establish additional procedures, not specified herein, to implement Commission policies.

136 Previous Service Credit

Effective August 1, 1984, the Executive Director is authorized to allow the following special provisions for Officers and regular employees hired into the Commission, who, prior to Commission employment were continuous employees of the Housing Authority of the County Los Angeles, subject to the limitations indicated:

- All Officers and regular employees may carry-over up to a maximum of 100 hours of accrued sick leave.
- All Officers and regular employees will be credited for continuous service time earned in their prior organization for purposes of accruing annual leave.
- All Officers and regular employees are eligible for noncompetitive appointment.

137 Unauthorized Use of Commission Property and Responsibility for Items Furnished to Employee

The unauthorized use of the Commission property and equipment including, *but not limited to*, Commission identification badges, supplies, telephones, voicemail, computers, laptops, software, E-mail, Internet, facsimile machines, photo copiers, office space, vehicles, and other Commission-funded assets is prohibited.

In the course of employment, certain employees of the Commission may be furnished work-related items such as uniforms, Commission identification badges, office keys, master keys, entry authorization cards, pagers, cellular phones, laptop computers, tools and office equipment. Any employee receiving such items shall return each and all of the same to the Commission in good condition, except reasonable wear and tear, at the termination of his/her employment for any reason. If any such items are not returned by the last day worked, the reasonable value of such item(s) may be claimed against such the employee and the employee agrees that such reasonable value may be deducted from such employee's pay.

Upon hire, all employees must read and sign an Authorization of Deduction form, which authorizes the Commission to recover the costs related to any items not returned at the termination of employment, including but not limited to the cost of personal

telephone calls. No office equipment may be removed from the office without written permission *of from* the supervisor.

138 Substance Abuse

138.1 Purpose

It is the policy of the Commission to maintain a safe, healthy and productive work environment for all employees. To that end, management will act to eliminate any substance abuse (alcohol, illegal drugs, prescription drugs or any other substance which would *could* impair the employee's ability to safely and effectively perform the functions of the particular job), which increases the potential for accidents, absenteeism, substandard performance, poor employee morale or damage to the agency's reputation, *and places the safety of others at risk.*

The unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited on the Commission's property. Violations of the policy may result in discipline, up to and including termination.

138.2 Policy

1. It shall be grounds for termination to sell or trade any drugs or alcohol, while on duty or on Commission property.
2. It may be grounds for disciplinary action, up to and including termination, if any employee reports to work intoxicated, under the influence of, or has traces in his/her urine of alcohol, controlled substances, narcotics, amphetamines, barbiturates, prescribed or over-the-counter medications in excess of prescribed dosages, or other non-prescribed hallucinogenic substances, or becomes intoxicated or comes under the influence while on duty.
3. When a supervisor has reasonable cause to believe that an employee is under the influence of intoxicating liquor, controlled substances, narcotics, amphetamines, barbiturates, prescribed or over-the-counter medications in excess of prescribed dosages, or other non-prescribed hallucinogenic substances,

the supervisor shall have the authority to order that employee, accompanied by a supervisor, to report immediately to a medical facility and to be examined by a physician and to take an appropriate test for drug or alcohol use. The examination shall be conducted while the employee is "on the clock". The Commission shall bear the expense of the examination, and shall provide transportation to and from the medical facility and the employee's work station.

4. Should the examination show that the employee is intoxicated or under the influence of alcohol, controlled substances, narcotics, amphetamines, barbiturates, medications in excess of prescribed dosages, or other non-prescribed hallucinogenic substances, and has therefore, violated the above rules, the employee may be subject to disciplinary action, up to and including termination. Within 90 days of the examination and if requested by the employee, management shall have the examination sample retested by a state licensed independent laboratory/testing facility. The employee shall bear the expense of any independent examination requested.
5. An employee's failure to submit to an examination and test in accordance with this policy, when so ordered by management, will be considered insubordination, and grounds for immediate termination.

138.3 Confidentiality

All test results shall be kept confidential and will only be revealed to the employee tested and to Officers and employees of the Commission who need to utilize the information in order to carry out their job responsibilities.

138.4 Rehabilitation

Employees who have substance abuse problems will be encouraged to make every effort to overcome such problems and to utilize the services of the Employee Assistance Program (EAP), or another appropriate program. The EAP will not be used in lieu of discipline against an employee

found to be in violation of this policy, but may be taken into consideration by management in determining the appropriateness of the disciplinary action to be taken. *Any expenses incurred will be the responsibility of the employee.*

139 Harassment

All employees are to be treated with respect, and dignity, *and work in an environment free from harassment.* Sexual harassment or harassment *by another employee or supervisor* for any reason, such as that based upon race, color, religion, national origin, age, marital status, sex, *gender identity*, ancestry, political affiliation, disability, or sexual orientation by another employee or supervisor will not be tolerated under any circumstances, and can lead to disciplinary action, up to and including termination.

Sexual harassment includes soliciting sexual favors from an unwilling subordinate or co-worker in return for promotions, increased wages, continuance of the job, as well as other unwelcome verbal, *or* physical, *or visual* conduct of a sexual nature such as uninvited touching, *or* sexually related comments, *or displaying objects or pictures that depict men or women in a sexually suggestive or derogatory manner.*

Hostile Environment Sexual Harassment occurs when the reported conduct unreasonably interferes with an employee's job performance or creates an intimidating, hostile or offensive working environment. The alleged conduct must be sufficiently pervasive to alter the conditions of the victim's employment and create an abusive working environment.

Employees are to report incidents of harassment immediately to their supervisors or Human Resources in accordance with the Commission's procedures covering sexual harassment.

It is illegal to retaliate against an employee or participant of a Commission program who complains in good faith of a violation of any harassment policy of the Community Development Commission.

140 Prohibition of Smoking in the Workplace

~~In accordance with the Commission's responsibility to establish, maintain, and promote a safe working environment and to reduce health and safety risks to its employees and the public at large,~~ *state law, smoking is prohibited inside all CDC workplaces, and*

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within 20 feet of any entrance to a CDC facility, all All interior working and public areas of the Commission are designated as non-smoking areas in which tobacco products may neither be used nor sold. Smoking is prohibited in all Commission-owned vehicles. Work and common-use areas of all Commission-owned and/or leased buildings shall be appropriately signed as non-smoking areas.

Smoking shall be permitted in all areas open to the sky or otherwise located outside building facilities, at least 20 feet away from any entrance to a CDC facility unless this would violate a safety rule.

141 Working Environment

The Commission's Injury and Illness Prevention Plan (IIPP) establishes the responsibility of each Officer and employee to maintain a safe and healthy work environment. The Plan promotes teamwork and cooperation among employees, encourages conscientious customer service to the public, and assures a hazard-free work environment.

In addition, the Commission may establish policies, which encourage Officers and employees to maintain the highest degree of integrity, and which will not compromise the Commission's standards or programs. Any willful violations of the safety procedures or conduct standards may result in disciplinary action, up to and including termination.

200 **EMPLOYEE BENEFITS**

The Commission reserves the absolute right, in its discretion, at any time and from time to time, to discontinue coverage under any particular health and hospitalization plan, dental plan, life insurance plan, and/or disability insurance plan in which it or its employees have previously been enrolled and to substitute for such prior coverage alternate coverage which may be different in character and amount, and either more or less comprehensive. Officers and employees of the Commission shall not have or gain, by reason of their employment by the Commission, any vested rights in or to any particular health and hospitalization plan, dental plan, life insurance plan, and/or disability insurance plan coverage whatsoever.

Officers and employees may be required to make contributions for employee and dependent coverage.

201 Continuous Service

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An Officer or regular employee must be compensated for the equivalent of $\frac{1}{4}$ of his/her standard hours per pay-period to accrue annual leave and sick leave; to receive flex dollar credit; and to participate in insurance benefits. If an Officer or employee fails to be compensated for $\frac{1}{4}$ of his/her standard hours per pay-period, but wishes to continue insurance coverage, he/she may notify Human Resources of his/her decision in which case he/she will be required to pay *premiums to continue* insurance coverage. ~~in accordance.~~

202 Benefit Plans

202.1 Optional Benefits Plan

Effective ~~July 1, 2000,~~ January 1, 2003, for Officers and regular employees hired before October 1, 1997, the Commission will contribute a maximum of ~~\$489~~ \$520 per month for employee and dependent for group health, dental and vision insurance coverage. Any unused contribution ~~may be~~ is used for the employee's deferred compensation plan or paid as taxable income.

202.2 Flexible Benefits Plan

Effective January 1, 1998, an Officer or regular employee hired before October 1, 1997, may elect to enroll in the Flexible Benefits Plan in lieu of the Optional Benefit Plan. All employees hired as of January 1, 1998 participate in the Flexible Benefits Plan.

Effective January 1, 1998, the Commission offers a Flexible Benefits Plan to include the following benefits:

- Medical (including eligible domestic partners)
- Dental (including eligible domestic partners)
- Vision (including eligible domestic partners)
- Term Life
- Accidental Death and Dismemberment
- Elective Annual Leave
- Short-Term and Long-Term Disability
- Health Care Spending Account
- Dependent Care Spending Account
- State Disability

Please note that employees who contribute to California State Disability are eligible to take Paid

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Family Leave beginning on or after July 1, 2004. The standards for eligibility are established by the California Employment Development Department.

The Commission's monthly contribution for the Flexible Benefits Plan effective ~~July 1, 2000~~, January 1, 2003, will be the greater of \$735 \$770 or the following percentage of an employee's monthly salary based on years of service as of the employee's anniversary date:

- 14.5% - less than five years of service
- 17.0% - 5 to less than 10 years of service
- 17.4% - 10 years of service
- 17.8% - 11 years of service
- 18.2% - 12 years of service
- 18.6% - 13 years of service
- 19.0% - 14 or more years of service

Any unused contribution ~~may be~~ is used for the employee's deferred compensation plan or paid as taxable income.

~~Officers and regular employees only are eligible to participate in the following benefit programs:~~

Officers or regular employees must elect health coverage (single coverage) and have the option to waive all other benefits provided that the Officer or employee complies with certifying under penalty of perjury that he/she has covered, any spouse, former spouse, and/or dependent(s). Health coverage may be waived only if the Officer or employee is the primary subscriber, not a dependent, in an employer sponsored group medical plan or retirement medical plan or Medicare and must provide documentation showing coverage as the primary subscriber.

203 Retirement

As a condition of employment, Officers and regular employees shall participate in the California State Public Employees' Retirement System. (CALPERS)

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The Commission will pay the normal employer portion of the (CALPERS) program and a portion of the employee's share of retirement contribution to a maximum four and one-half percent of the employee's monthly salary. The remaining two and one-half percent of the employee's share will be treated as the employee contribution through salary reduction for tax treatment only, pursuant to Section 414(h) (2) of the Internal Revenue Code.

204 Health Insurance Coverage

The Commission will provide group health insurance coverage, pursuant to employees' *benefit plan* elections under Section 202.

205 Continued Health Insurance Under Federal Law-COBRA

Employees and/or their dependents (beneficiaries) are eligible to continue at their own expense their health coverage at a premium of 102% of the applicable group rate if the following conditions apply:

1. Employees, who are terminated (except those terminated for gross misconduct), or who have a reduction of hours (partial or full layoff or an extended leave of absence of more than 30 days), are eligible to continue their health insurance benefits for 18 months, thereafter such employees are entitled to convert at their own expense their group policy to individual policies.
2. ~~Employees or beneficiaries~~, *Qualified beneficiaries*, who are no longer eligible for group health coverage because of (1) death of the employee, (2) divorce or legal separation from the employee, (3) the employee becoming eligible for Medicare, or (4) a dependent child of an employee being no longer qualified as a dependent, are eligible to continue their health insurance coverage for 36 months; thereafter such *employees qualified beneficiaries* are entitled to convert at their own expense their group policy to individual policies.
3. For plan years beginning on or after December 19, 1989, certain disabled qualified beneficiaries of employees, who are terminated, (except those terminated for gross misconduct), or who have a reduction of hours (partial or full layoff or an extended leave of absence for more than 30 days), may be eligible to continue their health insurance benefits for an *additional 11 months of COBRA continuation coverage for a maximum of 29 months.* ~~or even 36 months so long as the disabled qualified beneficiaries were disabled within 60 days of~~

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~~the time employees became eligible for continuation coverage and the qualified beneficiaries provide notice of their disabilities determination before the end of the original 18 month period of continuation coverage.~~ Disabled qualified beneficiaries may be charged 150% of the applicable group rate, after the initial 18-month period of continuation coverage. The qualified beneficiary's disability must be determined under Title II (Old Age, Survivors, and Disability Insurance) and Title XVI (Supplemental Security Income) of the Social Security Act. *It is the qualified beneficiaries responsibility to obtain the disability determination from the Social Security Administration. A copy of the determination must be submitted to the Commission within 60 days of the date of the determination and before the end of the 18-month period for COBRA continuation in order to continue coverage under COBRA.*

4. *New dependent(s) of a qualified beneficiary acquired through marriage during the period of continuation may be added to the coverage according to the rules of the health plan. The new dependent(s) do not gain the status of a qualified beneficiary (except for newborn(s) or adopted children).*

Continuation benefits are no longer available when the earlier of the following occurs:

1. ~~The 18-month, 29-month, or 36-month period expires. The expiration of the 18-month (29-month or 36-month if applicable) continuation period.~~
2. Commission ceases providing any group health plan to employees.
3. The premium is not paid timely by the employee and/or the beneficiary.
4. The qualified employee and/or beneficiary becomes covered by any other group plan or Medicare.
5. A beneficiary remarries and becomes covered by another health plan.
6. *A qualified beneficiary provides notification to the Commission to cancel continuation coverage.*

206 Continued Health Insurance Under California Law (Extended COBRA)

Employee's in the state of California who have fully completed the continuation coverage as provided under the federal law – COBRA are eligible at their own expense for an additional 18 months of coverage under California law for a maximum of 36 months from the date the employee's continuation coverage began under COBRA. The premiums for this extended 18 months of coverage may be raised to 110% of the applicable rates charged to the employer for active employees.

Employee's who have worked at least five years and are at least 60 years of age or older on the date their employment terminates, as well as their spouse, are eligible to continue their coverage at their own expense, under the same terms and conditions as were provided under federal COBRA, subject to payment of premium not to exceed 213% of the applicable group rate.

Extended continuation benefits are no longer available when the earlier of the following occurs:

1. The date any required premium is not paid after any grace period;
2. The date the group plan terminates and is not replaced;
3. The date the individual becomes insured under another group health plan;
4. The date the individual attains 65 years of age;
5. For a spouse, five years from the date the employee's employment ended.
6. *A qualified beneficiary provides notification to the Commission to cancel continuation coverage.*

The employer shall notify the former employee of the availability of continuation benefits under this section at least 90 calendar days prior to the date continuation coverage under federal COBRA is scheduled to end. To continue health care coverage pursuant to this section, the individual shall elect to do so by notifying the *health care service plan or the health insurer (insurance carrier) employer* in

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writing within 30 calendar days prior to the date continuation coverage under federal COBRA is scheduled to end.

Premiums for state continuation coverage shall be billed by, and remitted to the health insurer (insurance carrier) or the health care service plan. Health insurance premiums will be due on the first of each month and are subject to a maximum grace period of thirty (30) days. Failure to pay the requisite premiums will result in termination of the continuation coverage in accordance with the applicable provisions in the plan's group subscriber agreement with the former employee.

207 Dental Insurance Coverage

The Commission will provide optional dental insurance coverage, pursuant to employees' *benefit plan* elections under Section 202.

208 Vision Insurance Coverage

The Commission will provide optional vision insurance coverage, pursuant to employees' *benefit plan* elections under Section 202.

209 Life Insurance

The Commission provides *the* \$5,000 basic term life insurance for each Officer and regular employee. Basic term life insurance is provided to Officers and regular employees, as of the date of employment, pursuant to employees' *benefit plan* elections under Section 202.

Employees who terminate from the Commission for any reason or who are no longer eligible for Commission paid coverage may be entitled to convert ~~the this coverage~~ \$5,000 basic term life insurance coverage into an individual policy. Applications for conversion must be filed with the appropriate insurance company within thirty-one (31) days after termination of employment or eligibility ceases, pursuant to employees' *benefit plan* elections under Section 202.

The Commission reserves the absolute right, in its discretion, at any time and from time to time, to discontinue coverage under any life insurance plan in which it or its employees have previously been enrolled and to substitute for such prior coverage alternate coverage which may be different in character and amount, and either more or less comprehensive. Employees of the Commission shall not have or gain, by reason of their employment with the Commission, any vested rights in or to any particular life coverage

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whatsoever, pursuant to employees' *benefit plan* elections under Section 202.

210 Accidental Death and Dismemberment Insurance

The Commission provides \$5,000 accidental death and dismemberment insurance for each Officer and regular employee. Group Accidental Death and Dismemberment insurance is provided as of the date of employment, pursuant to employees' *benefit plan* elections under Section 202.

211 Unemployment Insurance

The Commission will provide Unemployment Insurance as required by the State of California, pursuant to employees' *benefit plan* elections under Section 202.

212 Workers' Compensation

The Commission will provide Workers' Compensation *benefits to all employees*, as required by the State of California.

213 Disability Insurance

~~The Commission will provide a disability insurance plan, pursuant to employees' elections under Section 202.~~

The Commission will provide an Officer or a regular employee a disability insurance plan, pursuant to employees' benefit plan elections under Section 202.

Officers and regular employees may elect to participate in the California State Disability Insurance Program administered by the State of California Employment Development Department.

Officers and employees who contribute to the California State Disability Insurance Program are eligible for Family Temporary Disability Insurance or Paid Family Leave beginning on or after July 1, 2004. The standards for eligibility are established by the California Employment Development Department.

214 Social Security Medicare

All employees appointed on or after April 1, 1986, will participate in the Social Security Medicare program.

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215 Officer Automobile Allowance

The Commission may provide a maximum fixed monthly automobile allowance at the rate of \$300 for Directors and \$200 for Managers.

216 Retiree Medical

Effective July 1, 1992, the Commission will provide retiree medical benefits for only eligible Officers and regular employees. In order to be eligible an *Officer or regular* employee must have at least 10 years of continuous service with the Commission, or continuous previous service credit with the Housing Authority of the County of Los Angeles; and must be at least 50 years of age at retirement. The Commission will contribute towards the payment of medical insurance for the *Officer or regular* employee only per the following schedule:

10 - 14 years of service.....	75%
15 - 19 years of service	75% + 5% for every year of service over 15 years
20 + years of service	100%

Effective January 1, 2005, the Commission will not contribute more than the highest amount contributed for a current regular employee of the Commission for employee only medical insurance. Further, the Commission reserves the right in its absolute discretion to pay no more than the amount paid on behalf of current regular employees for the most inexpensive employee only medical insurance.

Should a retiree decide to move outside of the service area of the current Commission health plans, the retiree is responsible for obtaining his/her own health insurance. Upon the retiree providing proof of insurance and cost of insurance coverage, the Commission will directly reimburse the retiree. The percentage of reimbursement will be based upon the above years of service schedule and no more than the highest amount contributed for a current regular employee of the Commission for employee only medical insurance. In no case will the Commission reimburse the retiree an amount exceeding the actual cost of medical insurance coverage. The Commission also reserves the right to pay no more than the amount paid on behalf of current regular employees for the most inexpensive employee only medical insurance.

In addition, all retirees are required to enroll in Medicare Parts A & B upon reaching eligibility age. If the retiree fails to enroll in a timely manner, the Commission reserves the right in its absolute discretion to take a credit against the cost of medical insurance. If the retiree fails to ultimately enroll in Medicare Parts A & B, the Commission in its absolute discretion may cease to contribute towards the payment of medical insurance as provided in the above years of service schedule.

217 Additional Benefits

The Commission is authorized to provide the following additional benefits:

- A Credit Union Membership
- ~~A Deferred Compensation Plan~~
- An Employee Assistance Program
- ~~A Savings Bond Program~~

The Commission is currently authorized to provide the following additional benefits through a payroll deduction program on a voluntary basis:

- A Savings Bond Program
This plan allows employees to purchase U.S. savings bonds.
- A Deferred Compensation Plan
This plan allows employees to make contributions through salary reduction (pre-tax basis) up to a maximum per calendar year, (adjusted for inflation), pursuant to Section 457 of the Internal Revenue Code. If any, the employer's matching contribution to employees participating in this plan is determined annually in the absolute discretion of the Commission.

Temporary employees are eligible for only those benefits required by law.

300 LEAVES WITH PAY

301 Annual Leave Annual Leave (Non-Elective)

301.1 Flexible Benefits Plan

Effective January 1, 1998 an Officers or regular employees enrolled in the Flexible Benefits Plan with at least one full year of service shall receive ~~40 non-elective annual leave days (80 hours)~~ 80 hours of non-elective annual leave on January 1 of each calendar year. Officers or Regular employees with less than one full year of service will receive a pro-rated number of non-elective annual leave hours days on January 1. A new hire will begin accruing leave on the first pay period after the employee completes one full calendar month of compensated service. ~~Up to 160 hours may be purchased as part of the Flexible Benefits Plan.~~ These non-elective annual leave hours days are subject to the continuous service rule. ~~The non-elective~~ Annual leave may be used for vacation, personal or family illness or injury, or personal leave purposes for employees who are enrolled in the Flexible Benefits Plan.

Up to 160 hours of elective annual leave may be purchased as part of the Flexible Benefits Plan. Before an employee can use any of the purchased elective hours the employee is required to use all non-elective leave hours issued on January 1 of the same Plan Year.

301.2 Optional Benefits Plan

Officers and regular employees hired before October 1, 1997 who are enrolled in the Commission's Optional Benefit Plan shall accrue annual leave used for vacation beginning with their first full calendar month of compensated service.

Annual leave is earned at rates equivalent to the following schedule for compensated service:

1 – 48 months of service..... 10 workdays

49 – 120 months.....15 workdays

121 months or more of service.....15 workdays plus one
workday for each 12
months over 120 months
(not to exceed 20
workdays)

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Employees who convert from contract status to regular status shall receive pro-rated non-elective annual leave days on the following January based on the change of status date and subject to the compensated continuous service rule for the previous 12 months.

~~Employees enrolled in the Commission's Flexible Benefit Plan who opt out of the Optional Benefit Plan during open enrollment shall receive 10 non-elective annual leave days on the following January of the upcoming year. These non-elective annual leave days are subject to the continuous compensated service rule.~~

Employees who separate employment will receive pro-rated non-elective annual leave days based on their months of service in the current calendar year and are subject to the compensated continuous service rule.

Unused annual leave for each employee in excess of 240 hours as of the last paycheck of each year may not be carried to the next calendar year. Any hours in excess of 240 will be paid to the employee at his/her hourly rate as of the last paycheck of the calendar year.

302 Bonus Annual Leave (For Employees under Optional Program)

Effective July 1, 1997, an employee shall receive 8 hours additional annual leave for each increment of 100 hours unused sick leave accrued to a maximum of 32 bonus hours.

Bonus annual leave shall be accrued and posted on a calendar year basis in January of each calendar year. *Bonus annual leave applies only to Officers and regular employees who are enrolled in the Commission's Optional Benefits Plan. Employee shall accrue bonus annual leave each calendar year to be posted by the second pay period in January. Bonus annual leave shall be ~~accrued and posted~~ *shall be* granted and utilized according to the normal provisions of annual leave.*

303 Sick Leave

The equivalent of eight hours sick leave is accrued for each full month of compensated service for employees hired prior to October 1, 1997 under the Optional Benefit Plan. Sick leave may be used for personal or family illness, injury, pregnancy disability and medical, dental, or optical examination or treatment. Family is defined as spouse, child (biological, adopted, foster child, or step child who is

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under 18 years of age), ~~or~~ parent of the employee ~~or domestic partner of employee.~~

304 Bereavement Leave

Up to three days of paid leave is permitted in the event of death of the following:

Father, mother, sister, brother, spouse, child, stepmother, stepfather, stepchild, mother-in-law, father-in-law, grandmother, grandfather, grandchild, or domestic partner.

305 Military Training or Duty Leave

Up to 30 working days per year is permitted for military training or duty.

306 Jury Duty and Witness Leave

~~Up to 176 hours per year is permitted for jury duty and witness service. Officers and regular employees are permitted up to 176 hours for jury duty and witness service. Employees will not be paid for jury duty performed on a regularly scheduled day off or while on an unpaid leave of absence.~~

Commission-related *jury duty and witness service* that extends beyond normal work hours will be credited as overtime.

307 Workers' Compensation

The amount of Workers' Compensation benefits is determined by the State Labor Code. The benefit payment is two-thirds of an employee's average weekly earnings up to a maximum set by *the* State Law. Officers and employees receiving Workers' Compensation benefits may elect to supplement Workers' Compensation with accrued holiday, ~~overtime, annual or sick leave benefits.~~ *leave.* However, ~~in no case will the~~ *The total payments of* Workers' Compensation and other benefit ~~benefits must not~~ *payments exceed 100 percent of the employee's gross regular pay.* ~~Payments in excess of Workers' Compensation payments will be~~ *Leave accruals used, are taxable income.*

308 Administrative Leave

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When the Executive Director determines that it is in the best interest of the Commission and/or an Officer or employee, Administrative Leave may be authorized.

The Executive Director may approve up to five days of paid Administrative Leave per year for Officers in lieu of compensatory time.

400 LEAVES WITHOUT PAY

The following leave benefits and privileges apply to Officers and regular employees:

401 Personal Leave

Personal leaves of Officers and regular appointment employees shall be considered a privilege rather than a right. Such leave shall be considered for an employee who has worked 1,250 hours with one year or more employment with the Commission, without prejudice to the interests of the employee, and in accordance with the welfare of the Commission and authorized approval of the Executive Director. Personal leaves shall not be granted to supplement any other paid or unpaid leaves of absence or to replace any paid leaves of absence in which an employee is without accruals, unless specifically provided below.

Short Term Personal Leave. Personal leave of five days or less may be authorized by the Division Director. This leave must be compelling and of an emergency nature.

Extended Term Personal Leave. Personal leave of more than five days, but less than 90 days, may be authorized in advance by the Executive Director for reasons of personal and/or family illness, study, or personal emergency.

Long Term Personal Leave. Personal leave of more than 90 days, but less than six months, may be authorized in advance by the Executive Director for reasons deemed in the best interest of the Commission.

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402 Regulatory Leave

When the Executive Director determines that it is in the best interest of the Commission or an Officer or employee, Regulatory Leave may be authorized.

403 Military Service

An Officer or employee who enters active service of the Armed Forces of the United States shall be granted a leave of absence for time in service and 60 calendar days following discharge, or hospitalization continuing after discharge for a period of not more than three calendar months, or as required by law.

404 Parental Leave for School Visits

An employee who is a parent, *guardian*, or *grandparent having custody or guardian* of a child in kindergarten or grades 1 through 12, or attending a licensed child day care facility, may take off forty hours each school year, not exceeding eight hours in any calendar month of the school year, to participate in activities of the school or licensed child day care facility of any child, if the employee prior to taking time off, gives reasonable notice to the Executive Director or his/her designee of the planned absence of the employee. This is unpaid, unless accrued annual leave or accrued compensatory time is utilized. The employee, if requested to do so, shall provide documentation from the school or licensed child day care facility as proof that he or she has visited the school on a specific day and at a particular time.

405 Family Care and Medical Leave

In accordance with federal and state law, employees who have worked continuously for at least one year and have completed 1,250 hours over the previous twelve months may take an unpaid leave of absence for up to twelve weeks in any twelve month period to care for a newborn child, to care for a child joining the household through adoption or foster care, to care for the employee's seriously ill spouse, child, or parent, or for the employee's own serious health condition that prevents the employee from performing his/her job.

The twelve-week federal family care (Family and Medical Leave Act/FMLA) runs concurrently with the ~~twelve-six-week~~ California Paid Family Leave (Family Temporary Disability Insurance Program/FTDI) and the twelve-week California family care leave (California Family

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Rights Act/CFRA), except in the case of a leave taken due to pregnancy disability.

A physician's certificate is required to verify the extent and duration of the employee's own illness, or the serious health condition necessitating the leave to care for an ill spouse, child, or parent. An employee who plans to take a family care leave must give a thirty-day notice when the leave is foreseeable.

~~The employee may choose to use accrued leaves with pay in accordance with Section 300.~~

Employees may choose to use accrued leaves with pay in accordance with Section 300. Employees may be required to use leave banks to meet the business needs of the Commission in the absolute discretion of the Commission and/or to prevent improper leave accruals.

406 Pregnancy Disability Leave

A pregnant employee is entitled to a reasonable leave of absence without pay for any temporary disability resulting from pregnancy, miscarriage, childbirth or recovery therefrom. Such reasonable leave of absence shall not exceed six months.

~~An employee shall take an unpaid leave of absence during such leave of absence, except that accrued annual leave and sick leave may be taken at the option of the employee.~~

Employees may choose to use accrued leaves with pay in accordance with Section 300. Employees may be required to use leave banks to meet the business needs of the Commission in the absolute discretion of the Commission and/or to prevent improper leave accruals.

As with all other temporary disabilities, a physician's certificate is required to verify the extent and duration of the temporary disability.

An employee who plans to take a pregnancy leave must give reasonable notice at least 30 days before the date she will take the leave. The notice must include the estimated duration of the leave.

Medical, dental and life insurance coverage will be continued through the end of the last calendar month subject to the continuous service rule unless the employee is eligible under the

federal Family and Medical Leave Act (FMLA). Thereafter, an employee may make arrangements to pay insurance premiums.

An employee's Pregnancy Disability Leave will apply to the federal Family and Medical Leave Act (FMLA). For the first twelve weeks of the leave an eligible employee's group health benefits will be maintained at the same level it was prior to the leave, provided the employee maintains the same contribution amount as required prior to the leave of absence.

407 Medical Leave

An employee is entitled to a reasonable leave of absence without pay for any temporary disability resulting from illness, injury or recovery therefrom. Such reasonable leave of absence shall not exceed six months. If the employee has returned to work and has not completed six months of continuous employment, any period of leave for the same cause or causes longer than 12 weeks will be treated as one continuous period of leave. Such period of continuous leave shall not exceed six months.

~~Employees shall take an unpaid leave of absence during medical leave of absence except that accrued vacation pay and sick leave may be taken at the option of the employee.~~

Employees may choose to use accrued leaves with pay in accordance with Section 300. Employees may be required to use leave banks to meet the business needs of the Commission in the absolute discretion of the Commission and/or to prevent improper leave accruals.

As with all other temporary disabilities, a physician's certificate is required to verify the extent and duration of the temporary disability.

An employee who plans to take a medical leave must give reasonable notice at least 30 days, if possible, before the date he or she will take the leave. The notice must include the estimated duration of the leave.

Medical, dental and life insurance coverage will be continued through the end of the last calendar month subject to the continuous service rule unless the employee is eligible under the federal Family and Medical Leave Act (FMLA). Thereafter, an employee may make arrangements to pay insurance premiums.

An employee's Medical Leave will apply to the federal Family and Medical Leave Act (FMLA). For the first twelve weeks of the leave an eligible employee's group health benefits will be maintained at the same level it was prior to the leave, provided the employee maintains the same contribution amount as required prior to the leave of absence.

408 Industrial Leave

An employee who has an industrial illness or injury is entitled to a leave of absence without pay until the employee can either return to duty and perform *the essential functions of his or her prior job duties* ~~duties~~, *with or without reasonable accommodation*, or the employee is terminated due to a physical incapacity because: (1) he or she is *still* permanently disabled over *18 months after the industrial illness or injury* and is eligible for vocational rehabilitation, and/or (2) he or she cannot perform *the essential functions of his or her prior job* ~~duties~~ *duties*, *with or without reasonable accommodation*, ~~restriction~~ *disability over 18 months after the industrial illness or injury*.

As with all other temporary disabilities, a physician's certificate is required to verify the extent and duration of the temporary disability.

Medical, dental and life insurance coverage will be continued through the end of the last calendar month subject to the continuous service rule unless the employee is *eligible* under the federal Family and Medical Leave Act (FMLA). Thereafter, an employee may make arrangements to pay *his or her* insurance premiums.

An employee's Industrial Leave will apply to the federal Family and Medical Leave Act (FMLA). For the first twelve weeks of the leave an eligible employee's group health benefits will be maintained at the same level it was prior to the leave, provided the employee maintains the same contribution amount as required prior to the leave of absence.

The Commission will maintain group health benefits at the same level it was prior to the leave, provided the employee maintains the same contribution amount as required prior to the leave of absence, while an employee is temporarily disabled for a period not to exceed 18 months, unless a Court of Appeal shortens the time period an employer must maintain group health insurance benefits

for an employee who is disabled due to an industrial illness or injury.

409 Domestic Violence Leave

Employees who are victims of domestic violence are eligible for unpaid leave. You may request leave if you are involved in a judicial action, such as obtaining restraining orders, appearing in court to obtain relief to ensure your health, safety or welfare, or that of your child. This is unpaid leave, unless accrued annual leave or accrued compensatory time is utilized.

An employee should provide notice and certification of a need to take leave under this policy. Certification may be sufficiently provided by any of the following:

- A police report indicating that the employee was a victim of domestic violence, or documentation from a legal counselor or attorney.*
- A court order protecting or separating the employee from the perpetrator of an act of domestic violence, or other evidence from the court or prosecuting attorney that the employee appeared in court.*
- Documentation from a medical professional, a domestic violence services advocate, a health-care provider, or a counselor that the employee was undergoing treatment for physical or mental injuries or abuse resulting in victimization from an act of domestic violence.*

The Commission will, to the extent allowed by law, maintain the confidentiality of an employee requesting leave under this provision.

410 Paid Family Leave

In accordance with state law effective January 1, 2004, employees who contribute to the California State Disability Insurance program may be eligible for up to six (6) weeks of paid benefits when time off work is taken to bond with employee's own child or employee's domestic partner's child; or a child placed for adoption or foster care with employee or employee's domestic partner; or to provide care to a child, parent, spouse or domestic partner of an employee who is seriously ill or unable to take care of themselves. An

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employee who plans to take a paid family leave must give a thirty day notice when the leave is foreseeable.

The standards for eligibility are established by the California Employment Development Department. Claims for Paid Family Leave beginning on or after July 1, 2004 are payable through the Employment Development Department, State of California, and are subject to a waiting period of seven consecutive days during which no benefits are available.

The six-week California Paid Family Leave (Family Temporary Disability Insurance Program/FTDI) runs concurrently with the twelve-week federal family care leave (Family and Medical Leave Act/FMLA) and twelve-week California family care leave (California Family Rights Act/CFRA), if applicable.

500 UNAUTHORIZED LEAVES

An employee shall notify his/her supervisor or a member of management during the first hour of each workday if he/she is unable to report to work. An employee who does not report to work for three consecutive workdays and who has not reported his/her absence to his/her supervisor or a member of management, shall be considered to have voluntarily resigned from his/her position with the Commission.

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100 DEFINITIONS AND GENERAL PROVISIONS

101 Commission

"Commission" means the Community Development Commission of the County of Los Angeles.

102 Board

"Board" means the Board of Commissioners of the Community Development Commission of the County of Los Angeles.

103 Executive Director

"Executive Director" is the Commission's Chief Executive Officer.

104 Appointments

104.1 Officers

An "Officer" is a person appointed to the position of Executive Director, Assistant Executive Director, Director or Manager.

104.2 Temporary Appointments

"Temporary Appointment" means employment of a person to be paid on an hourly basis. Appointments are limited to six months duration unless extended by the Executive Director.

104.3 Contract Appointments

"Contract Appointment" means employment of a person to be paid on an hourly or salary basis. Employment is based on the terms and conditions set forth in the Agreement for Contract Employment. Duration of the employment contract/agreement may not exceed 12 months, but may be renewed at the discretion of the Executive Director.

104.4 Regular Appointments

"Regular Appointment" is employment other than as an Officer, or as a contract appointment, or a temporary appointment.

104.5 Acting Appointments

"Acting Appointment" is the temporary assignment of a contract employee to a different contract position, the temporary assignment of a regular employee to a different regular position, the temporary assignment of an Officer to a different Officer position, or the temporary assignment of a regular employee to an Officer position. An acting appointment may be made for a period not to exceed six months. During the acting appointment, adjustments may be made to the acting appointee's pay or benefits.

104.6 Conditions of Appointment

Except as may be prescribed by statute or as may be provided by the Commission, the Executive Director serves at the pleasure of the Commission. All other Officers, all temporary, regular and contract employees, and all acting appointees serve at the pleasure of the Executive Director.

104.7 Independent Contractor Consultant

An "Independent Contractor Consultant" is a person who is employed by a sole proprietorship, employed by a separate public agency, or employed by a private employer, but who performs services for the Commission pursuant to a contract. An Independent Contractor Consultant may serve the Commission in any capacity, including as an Officer, but shall only be entitled to the benefits and privileges expressly specified in the respective contract.

105 Administrative Authority

The Executive Director is authorized to make any personnel appointment and take any action necessary to manage the Commission consistent with budgetary authorization and approved policies.

106 Equal Employment

The Commission is committed to equal employment opportunity without regard to race, national origin, color, ancestry, religion, sex, *gender identity*, marital status, political affiliation, disability, age, or sexual orientation.

107 Political Activity

No Officer or employee shall engage in political activities during work hours nor represent his/her position as an Officer or employee while engaging in partisan political activities during non-work hours.

108 Conflict of Interest

A "conflict of interest" is when an employee is involved in activity, which, for any reason is in conflict with the Commission's best interests.

~~It is the policy of the Commission that all Officers and employees of the Commission~~ shall maintain the highest standards of conduct and integrity and shall have no outside interests, which may be incompatible or involve a conflict of interest with their duties, functions, and responsibilities as Commission Officers or employees.

Officers and employees shall not accept, directly or indirectly, payments, loans, commissions, services, promises of future benefits, gifts, gratuities, merchandise or other items of value, from any organization or individual doing business with the Commission, except for meals and social invitations of nominal value, which are in keeping with good business ethics and do not obligate the recipient. All Officers and employees should not become involved in a conflict of interest situation which is real or apparent which may involve favoritism, collusion or other fraudulent practice.

No Officer or employee at any level of the Commission may serve as a director, officer, partner, employee, consultant, agent or representative, or have a financial interest in any organization which does business with or is affiliated with the Commission, unless on the basis of full disclosure and such association has the specific written approval of the Executive Director. In addition, Officers and employees are required to abide by applicable federal, state and local statutes, regulations, and ordinances concerning conflicts of interests.

Employees must be free of any investment in (other than ownership of less than 3% of the shares in any publicly traded company, less than 3% of the shares in any publicly traded real estate investment trusts, and/or less than 3% of the interest in any publicly traded limited partnerships, and/or investments in mutual funds), or association with vendors, contractors, or suppliers which might interfere or appear to interfere with the independent exercise of

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judgment by employees in the best interests of the Commission. A ~~"conflict of interest" is when an employee is involved in activity, which, for any reason is in conflict with the Commission's best interests.~~

While employed by the Commission, employees may not solicit, contract with or perform services for any vendors, contractors, or suppliers of the Commission. This includes "freelance" activities, which are the same or substantially similar to the services provided by the employee to the Commission. Employees of the Commission may not solicit or accept any gift or gratuity in excess of nominal value for performing their services from the Commission, including but not limited to as expressly prohibited by Penal Code section 70.

Employees also may not be involved in activities constituting a conflict of interest on the Commission's time, and also during off-duty time. Employees may not use the Commission's equipment, materials, resources, or "confidential" information, including but not limited to as defined in Government Code Section 1098, except to further the best interests of the Commission. Conflicts of interest include but are not limited to activities prohibited in Government Code sections 1090, 1098, and 1126.

Violation of this ~~Agreement~~ *conflict of interest policy* is a basis for discipline, up to and including termination. Furthermore, violation of this ~~agreement~~ *conflict of interest policy* may be a basis for a civil suit, which may include the Commission seeking injunctions to prevent irreparable harm to its interests as a result of the disclosure or use of confidential information or trade secrets.

108.1 Duty to Report Violations to the Commission

Employees are also required to *immediately* report to Human Resources ~~immediately~~ any violation of this Conflict of Interest Policy by any other employee of the Commission. Employees are also required to *immediately* report to Human Resources ~~immediately~~ any attempted bribe, bribe, attempted kickback and/or kickback, discussed or made by any vendors, suppliers, and/or employees of the Commission.

Failure to *immediately* report known violations of the Conflict of Interest Policy by others, including but not limited to the Commission's vendors, suppliers, and/or employees, will result in disciplinary action, up to and including termination.

109 Outside Employment

Executive Director approval in writing is required for all outside employment.

In general, the Commission has no objections to non-exempt employees only obtaining an additional job. However, if a non-exempt employee obtains additional employment with a business enterprise or public agency with which the Commission competes, or with which the Commission presently has or subsequently has a business relationship, or if there is a potential conflict of interest, the Commission may, as a condition of continued employment, require the non-exempt employee to refuse or resign from the additional job. Furthermore, the Commission will hold all non-exempt employees to the same standards of performance and work schedules, and cannot make exceptions for non-exempt employees holding additional jobs.

All Officers and employees of the Commission must obtain the written approval of the Executive Director before accepting any outside employment or engaging in any business as an independent contractor, partner, or a sole proprietor. Accepting or continuing outside employment in violation of this policy may result in immediate termination.

No Officer or employee at any level of the Commission may serve as a director, officer, partner, employee, consultant, agent, or representative, or have a financial interest in any organization unless on the basis of full disclosure and such association has the specific written approval of the Executive Director. In addition, Officers and employees are required to abide by applicable federal, state and local statutes, regulations, and ordinances concerning outside employment.

Pursuant to Government Code 1126 an employee's outside employment, activity or enterprise for compensation may be prohibited if it: (1) involves the use for private gain or advantage of his/her Commission time, facilities, equipment and supplies, badge, uniform, prestige, or influence of his/her Commission office or employment; (2) involves receipt or acceptance by the Officer or employee of any money or other consideration from anyone other than the Commission for the performance of an act which the Officer or employee, if not performing such act, would be required or expected to render in the regular course or hours of his/her Commission employment or as a part of his/her duties as a Commission Officer or employee; (3) involves the performance of an act in other than his/her capacity as a Commission Officer or

employee which may later be subject directly or indirectly to the control, inspection, review, audit, or enforcement of any other Officer or employee of the Commission, or (4) involves the time demands as would render performance of his/her duties as a Commission Officer or employee less efficient.

110 Employment of Relatives

No person shall be employed or be contracted with for services who is related within the first degree of consanguinity—father, mother, sister, brother, spouse, or child—to an Officer or employee or a member of the Board, unless approved in advance by the Executive Director.

110.1 Employment of Spouse

An employment decision shall not be based on whether an individual has a spouse presently employed by the Commission except in accordance with the following criteria:

- 1) For business reasons of supervision, safety, security or morale the Commission may refuse to place one spouse under the direct supervision of the other spouse.
- 2) For business reasons of supervision, security or morale, the Commission may refuse to place both spouses in the same department, division or facility if the work involves potential conflicts of interest or other hazards greater for married couples than for other persons.

110.2 Accommodation for Co-Employees Who Marry

If co-employees marry, the Commission shall make reasonable efforts to assign job duties so as to minimize problems of supervision, safety, security, or morale.

111 Employment of Persons Who Live in the Same Residence

No person shall be employed or be contracted with for services who lives in the same residence as an Officer or employee or a member of the Board, without the advance written approval of the Executive Director. Employment decisions regarding persons who live in the same residence shall be made in accordance with the following criteria:

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- 1) For business reasons of supervision, safety, security or morale, the Commission may refuse to place an employee who lives in the same residence with another employee under the direct supervision of the employee with whom he/she lives.
- 2) For business reasons of supervision, security or morale, the Commission may refuse to place an employee who lives in the same residence with another employee in the same department, division, or facility, if the work involves potential conflicts of interest or other hazards greater for these employees than for other employees.
- 3) Employees who plan to live in the same residence shall provide advance notice of such to their division(s) management to enable management to assign job duties so as to minimize problems of supervision, safety, security or morale.

112 Working Hours

The standard workday is eight hours.

With approval from the Executive Director, Officers and employees may work an alternative 9/80 schedule. The 9/80 schedule involves working 80 hours over a 9 day period. On this alternative work schedule, Officers and employees may work nine hours in a workday.

113 Workweek

The standard workweek begins at 12:01 p.m. on Friday and ends at 12 noon the following Friday.

114 Work Schedule

The Executive Director shall assign work schedules as necessary to accomplish Commission business. Unless assigned to an alternate schedule, employees shall work from 8 a.m. to 5 p.m., with a one hour unpaid lunch break.

115 Overtime Standard

Overtime means time spent in excess of a standard workweek. Employees may be required to work hours in excess of the standard workweek at the discretion of the Executive Director. Overtime for non-exempt employees will be compensated with compensatory time off on a time and one-half basis for all hours

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worked over forty in a workweek or, with Executive Director approval, pay at time and one-half of the employee's regular rate of pay.

Exempt employees are Officers and other professional employees of the Commission that comply with the Federal Fair Labor Standards Act regulations for exemptions. Exempt employees are paid on a salary basis, which amount is not subject to reduction because of the quality or quantity of the work performed. Exempt employees will not have deductions made from their pay for absences of less than one day. The Executive Director may approve up to five days of paid Administrative Leave per year for Officers in lieu of compensatory time.

115.1 Emergency/Holiday Overtime Pay

When a Commission employee is required to return to work on an observed holiday or weekend immediately following or preceding the holiday due to an emergency situation, the employee shall be compensated at two times the regular rate of pay for time worked in excess of 2 two hours. An emergency situation is one in which the employee has to ~~respond immediately, upon~~ *immediately respond* to the request of the Director or designee, and does not have the option to choose which day he/she can complete the work.

116 Employment Layoff

An Officer or employee may be laid off at the discretion of the Executive Director for any of the following reasons: (1) loss of funding; (2) lack of work; or (3) other budgetary considerations. In the event of a layoff, the Officer or employee will be given either two weeks notice or immediate separation with two weeks severance pay.

An employee who is laid off will have recall rights for three (3) months. Thereafter, he/she will lose all employee status with the Commission.

117 Medical Examination

Once an offer of employment with the Commission is made, a candidate for an Officer, regular, contract or some specified temporary positions is required to submit to a medical examination performed by an industrial medical facility specified by the Commission to determine his/her ability to perform the essential

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functions of the job offered. An Officer or employee may be required to submit to a medical examination after appointment. The examination ~~will be~~ *is* for the purpose of determining the Officer's or employee's physical and/or mental capabilities to perform *the* job duties of the position applied for in accordance with federal and state laws regarding persons with disabilities.

118 Background Investigation

An Officer or employee may be required to submit to a background investigation prior to or after appointment to determine his/her suitability to perform assigned duties. Fingerprinting may be required for the background investigation.

119 Maintenance Standby and Callback Policy-*"On Call" Status*

To ensure that housing developments will receive emergency repairs during ~~the weekend~~ hours not covered by the normal work schedule, it is the policy of the Commission that employees in the Maintenance Worker I, II, and III, and IV ~~(provided that a Maintenance Worker IV is working in a lead capacity and not a skilled trade or supervisory capacity)~~ classifications may *shall* be assigned to standby "on call" status at the discretion of the Executive Director.

It is the practice of the Commission that those Maintenance Workers I, II, and III, ~~and IV listed above~~, who are required assigned to be available on a standby basis to respond to emergency calls from 6:00 p.m. Friday through 5:30 a.m. Monday, ~~the end of the work day Friday to the subsequent Friday~~, shall receive standby compensation for that period equivalent to ~~of~~ eight hours pay at the minimum wage rate, to be authorized by the Executive Director. Recognized holidays falling on days consecutive with the weekend ~~will be~~ are considered as part of the normal standby compensation.

~~A maintenance employee may be called during weeknights to respond to an emergency. All Maintenance Workers may be called to respond to an emergency during hours not covered by their normal work schedule. However, he or she is~~ Maintenance Workers are not required to remain on the employer's premises, but ~~is required to~~ must notify Commission officials of where ~~he or she they~~ may be reached. ~~and is therefore, not working while on call. Therefore, they are not working while on call.~~

Maintenance Workers, including skilled trades, ~~who are not in supervisory positions and who are required to return to work to respond to an emergency call after the termination of his/her normal~~

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work shift and departure from the work location, but not less than 2 hours before the starting time of the next regular shift, shall be compensated for ~~4 hours of work or~~ the actual time required to respond to the emergency call(s), ~~whichever is greater,~~ calculated at 1 1/2 times their regular rate of pay. ~~in accordance with the overtime provision established in Section 115.~~ *Employees shall receive overtime compensation for emergency after-hours maintenance service after the completion of forty regular hours during the workweek in accordance with the overtime provisions established in Section 115.*

When a *Maintenance Worker* ~~maintenance employee~~ is required to return to work on an observed holiday or weekend immediately following or preceding the holiday, the *Maintenance Worker* ~~maintenance employee~~ shall be compensated at two times *his/her* the regular rate of pay for time worked in excess of 2 hours.

120 Performance Evaluation System

The Executive Director shall establish and maintain a performance evaluation system that objectively assesses employee job performance in relation to assigned responsibilities. Written performance evaluations will be made at least annually. To be eligible for a salary increase, the employee must have satisfactorily performed the job requirements for his/her position during the period preceding the evaluation. An employee evaluated as not having satisfactorily performed job requirements will be placed on a Needs Improvement Plan and/or subject to disciplinary action up to and including termination.

121 Personnel Classification

The Executive Director shall administer and maintain a personnel classification system.

122 Salary Placement

The Executive Director is authorized to make job appointments at a rate of pay within the approved job classification salary range for the purpose of attracting and retaining experienced and qualified personnel.

123 Advanced Level Placement

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In order to be equitable and competitive, the Executive Director may make employee placement above the beginning of the classification salary range when justified by the candidate's experience and background.

124 Salary Movement

Based on job performance, Officer or employee compensation may be adjusted within the approved classification salary range. Salary adjustments are effective the day the adjustment is authorized by the Executive Director. Salary adjustments authorized in connection with an employee's annual performance evaluation are effective on an employee's anniversary date for the position they are currently holding. The compensation rate of the Executive Director will be adjusted in accordance with Board directives and approval.

125 Advanced Salary Movement

The Executive Director will report quarterly to the Board any Officer or employee salary increase exceeding 10% of previous salary.

126 Incentive System

To encourage outstanding performance in the achievement of Commission goals, the Executive Director shall be responsible for administering the Employee Incentive Program to reward valuable contributions or suggestions made by employees. Officers and employees shall be eligible to participate in the Incentive Program.

127 Bilingual Compensation

Employees may receive a monthly ~~stipend~~ *compensation* upon successful completion of a bilingual proficiency exam with written *Division* Director authorization, when the position assignment requires fluency in English and another language. *Employees are not eligible for bilingual compensation during any unpaid leave of absence.*

128 Holidays

On the observance days shown below, Officers and regular employees shall be entitled to the following paid holidays as long as they have been compensated for the day before and the day after the holiday is observed:

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<u>Holidays</u>	<u>Observations</u>
New Year's Day.....	January 1
Martin Luther King Jr.'s Birthday.....	Third Monday in January
Presidents' Day.	Third Monday in February
Memorial Day.....	Last Monday in May
Independence Day.....	July 4
Labor Day.....	First Monday in September
Columbus Day.....	Second Monday in October
Veterans' Day.....	November 11
Thanksgiving Day.....	Fourth Thursday in November
Day after Thanksgiving.....	Friday after Thanksgiving
Christmas Day.....	December 25

When a holiday occurs on a Saturday, the preceding Friday will be observed. When a holiday occurs on a Sunday, the following Monday will be observed. Regular employees scheduled to work on holidays will be credited with compensatory time for hours worked on that day.

Employees on leave without pay are not entitled to holiday pay.

128.1 Floating Holiday

In addition to the above holidays, one floating holiday per calendar year may be taken when approved in advance. Any floating holiday not used at the time of separation or at the end of the calendar year will be forfeited.

129 Mileage, Travel Expense and Automobile Allowance

129.1 Mileage and Travel Expenses

The Executive Director shall from time to time determine and submit for Board approval a reasonable reimbursement formula(s) and maximum reimbursement limit(s) to compensate Officers and employees for mileage and travel related expenses incurred on Commission business. All mileage, travel, and related expenses must be approved in advance by the Executive Director or his/her designee.

129.2 Auto Allowance

Subject to the authorization of the Executive Director, Officers are eligible for a fixed monthly automobile

allowance. Officers receiving such allowance are not eligible to receive mileage reimbursement. This allowance is separate from reimbursement for car rental expenses incurred in connection with authorized business travel.

130 Use of Personal Vehicles

The Executive Director may require any Officer or employee to provide his / or her own transportation to conduct Commission business. Staff using personal vehicles must maintain State of California minimum insurance coverage. Operating a Commission vehicle with an expired or suspended driver's license will result in ~~discipline~~ *disciplinary action* up to and including termination. *If an employee is involved in a vehicle accident using their personal vehicle, their insurance is primary. The Commission's insurance is excess over and above all other existing insurance policies.*

The Commission maintains driving records for appropriate ~~all~~ employees who are required to drive on Commission business. Excessive accidents and/or violations or uninsurability, except at premiums higher than the majority of other Commission drivers, may result in disciplinary action ~~leading~~ up to and including termination. Furthermore, employees who drive without ~~being properly a valid drivers licensed, for example, a suspended and/or expired license~~ in the course and scope of their employment with the Commission, are subject to disciplinary action up to and including unpaid suspension and/or termination.

Finally, Commission employees who drive in the course and scope of their employment ~~with for the Commission,~~ must immediately ~~advise~~ *notify Risk Management if Human Resources* when their drivers' licenses have expired, without ~~possible renewal, and/or~~ *and or* have been ~~suspended, suspended, and shall not be permitted to drive on Commission business either in a Commission or their personal vehicle.~~ Failure to do so may result in termination.

131 Professional Memberships/Dues

Subject to available funding, the Executive Director shall provide for necessary professional memberships, dues and publications.

132 Removal of Personnel

132.1 Officers and Regular Employees

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All Officers and regular employees serve at the pleasure of the Executive Director and therefore may be removed at any time without stated cause. Officers and regular employees charged with misconduct shall be provided, in writing, pre-removal notification of the charge, the reasons therefore and the opportunity to respond. The pre-removal notification procedure shall be for the purpose of protecting the "liberty interests" of Officers and employees and does not in any way modify the right of the Commission to terminate Officers and employees at the pleasure of the Executive Director.

132.2 Temporary Employees

Temporary employees may be removed at the pleasure of the Executive Director without stated cause.

132.3 Contract Employees

Contract employees may be removed at the pleasure of the Executive Director without stated cause.

132.4 Acting Appointees

Acting appointees may be removed from such acting positions at the pleasure of the Executive Director.

133 Grievance Procedure

The Executive Director shall administer a grievance procedure for regular employees *only*, except that such procedure shall be exclusive of disciplinary matters. "Disciplinary matters" include, but are not limited to, demotion, suspension or removal.

134 Separation Pay

Upon separation, an Officer or employee will be compensated at his/her regular rate of pay for accrued annual leave or vacation pay. An employee will be compensated for his/her accrued overtime hours. An Officer or employee who purchases Elective Annual Leave will be compensated for leave purchased but not taken. An employee whose Elective Annual Leave for the calendar year has been exhausted and still shows a balance owing on purchased days will have the balance deducted from the employee's final pay check.

135 Additional Provisions

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The Executive Director is authorized to establish additional procedures, not specified herein, to implement Commission policies.

136 Previous Service Credit

Effective August 1, 1984, the Executive Director is authorized to allow the following special provisions for Officers and regular employees hired into the Commission, who, prior to Commission employment were continuous employees of the Housing Authority of the County Los Angeles, subject to the limitations indicated:

- All Officers and regular employees may carry-over up to a maximum of 100 hours of accrued sick leave.
- All Officers and regular employees will be credited for continuous service time earned in their prior organization for purposes of accruing annual leave.
- All Officers and regular employees are eligible for noncompetitive appointment.

137 Unauthorized Use of Commission Property and Responsibility for Items Furnished to Employee

The unauthorized use of the Commission property *and equipment* including, *but not limited to*, Commission identification badges, supplies, telephones, voicemail, computers, laptops, software, E-mail, Internet, facsimile machines, photo copiers, office space, vehicles, and other Commission-funded assets is prohibited.

In the course of employment, certain employees of the Commission may be furnished work-related items such as uniforms, Commission identification badges, office keys, master keys, entry authorization cards, pagers, cellular phones, laptop computers, tools and office equipment. Any employee receiving such items shall return each and all of the same to the Commission in good condition, except reasonable wear and tear, at the termination of his/her employment for any reason. If any such items are not returned by the last day worked, the reasonable value of such item(s) may be claimed against such the employee and the employee agrees that such reasonable value may be deducted from such employee's pay.

Upon hire, all employees must read and sign an Authorization of Deduction form, which authorizes the Commission to recover the costs related to any items not returned at the termination of employment, including but not limited to the cost of personal

telephone calls. No office equipment may be removed from the office without written permission of *from* the supervisor.

138 Substance Abuse

138.1 Purpose

It is the policy of the Commission to maintain a safe, healthy and productive work environment for all employees. To that end, management will act to eliminate any substance abuse (alcohol, illegal drugs, prescription drugs or any other substance which *would could* impair the employee's ability to safely and effectively perform the functions of the particular job), which increases the potential for accidents, absenteeism, substandard performance, poor employee morale or damage to the agency's reputation, *and places the safety of others at risk.*

The unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited on the Commission's property. Violations of the policy may result in discipline, up to and including termination.

138.2 Policy

1. It shall be grounds for termination to sell or trade any drugs or alcohol, while on duty or on Commission property.
2. It may be grounds for disciplinary action, up to and including termination, if any employee reports to work intoxicated, under the influence of, or has traces in his/her urine of alcohol, controlled substances, narcotics, amphetamines, barbiturates, prescribed or over-the-counter medications in excess of prescribed dosages, or other non-prescribed hallucinogenic substances, or becomes intoxicated or comes under the influence while on duty.
3. When a supervisor has reasonable cause to believe that an employee is under the influence of intoxicating liquor, controlled substances, narcotics, amphetamines, barbiturates, prescribed or over-the-counter medications in excess of prescribed dosages, or other non-prescribed hallucinogenic substances,

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the supervisor shall have the authority to order that employee, accompanied by a supervisor, to report immediately to a medical facility and to be examined by a physician and to take an appropriate test for drug or alcohol use. The examination shall be conducted while the employee is "on the clock". The Commission shall bear the expense of the examination, and shall provide transportation to and from the medical facility and the employee's work station.

4. Should the examination show that the employee is intoxicated or under the influence of alcohol, controlled substances, narcotics, amphetamines, barbiturates, medications in excess of prescribed dosages, or other non-prescribed hallucinogenic substances, and has therefore, violated the above rules, the employee may be subject to disciplinary action, up to and including termination. Within 90 days of the examination and if requested by the employee, management shall have the examination sample retested by a state licensed independent laboratory/testing facility. The employee shall bear the expense of any independent examination requested.
5. An employee's failure to submit to an examination and test in accordance with this policy, when so ordered by management, will be considered insubordination, and grounds for immediate termination.

138.3 Confidentiality

All test results shall be kept confidential and will only be revealed to the employee tested and to Officers and employees of the Commission who need to utilize the information in order to carry out their job responsibilities.

138.4 Rehabilitation

Employees who have substance abuse problems will be encouraged to make every effort to overcome such problems and to utilize the services of the Employee Assistance Program (EAP), or *another appropriate program*. The EAP will not be used in lieu of discipline against an employee.

found to be in violation of this policy, but may be taken into consideration by management in determining the appropriateness of the disciplinary action to be taken. *Any expenses incurred will be the responsibility of the employee.*

139 Harassment

All employees are to be treated with respect, and dignity, *and work in an environment free from harassment.* Sexual harassment or harassment *by another employee or supervisor* for any reason, such as that based upon race, color, religion, national origin, age, marital status, sex, *gender identity*, ancestry, political affiliation, disability, or sexual orientation by another employee or supervisor will not be tolerated under any circumstances, and can lead to disciplinary action, up to and including termination.

Sexual harassment includes soliciting sexual favors from an unwilling subordinate or co-worker in return for promotions, increased wages, continuance of the job, as well as other unwelcome verbal, or physical, *or visual* conduct of a sexual nature such as uninvited touching, *or sexually related comments, or displaying objects or pictures that depict men or women in a sexually suggestive or derogatory manner.*

Hostile Environment Sexual Harassment occurs when the reported conduct unreasonably interferes with an employee's job, performance or creates an intimidating, hostile or offensive working environment. The alleged conduct must be sufficiently pervasive to alter the conditions of the victim's employment and create an abusive working environment.

Employees are to report incidents of harassment immediately to their supervisors or Human Resources in accordance with the Commission's procedures covering sexual harassment.

It is illegal to retaliate against an employee or participant of a Commission program who complains in good faith of a violation of any harassment policy of the Community Development Commission.

140 Prohibition of Smoking in the Workplace

~~In accordance with the Commission's responsibility to establish, maintain, and promote a safe working environment and to reduce health and safety risks to its employees and the public at large,~~ *state law, smoking is prohibited inside all CDC workplaces, and*

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within 20 feet of any entrance to a CDC facility. All interior working and public areas of the Commission are designated as non-smoking areas in which tobacco products may neither be used nor sold. Smoking is prohibited in all Commission-owned vehicles. Work and common-use areas of all Commission-owned and/or leased buildings shall be appropriately signed as non-smoking areas.

Smoking shall be permitted in all areas open to the sky or otherwise located outside building facilities, at least 20 feet away from any entrance to a CDC facility unless this would violate a safety rule.

141 Working Environment

The Commission's Injury and Illness Prevention Plan (IIPP) establishes the responsibility of each Officer and employee to maintain a safe and healthy work environment. The Plan promotes teamwork and cooperation among employees, encourages conscientious customer service to the public, and assures a hazard-free work environment.

In addition, the Commission may establish policies, which encourage Officers and employees to maintain the highest degree of integrity, and which will not compromise the Commission's standards or programs. Any willful violations of the safety procedures or conduct standards may result in disciplinary action, up to and including termination.

200 **EMPLOYEE BENEFITS**

The Commission reserves the absolute right, in its discretion, at any time and from time to time, to discontinue coverage under any particular health and hospitalization plan, dental plan, life insurance plan, and/or disability insurance plan in which it or its employees have previously been enrolled and to substitute for such prior coverage alternate coverage which may be different in character and amount, and either more or less comprehensive. Officers and employees of the Commission shall not have or gain, by reason of their employment by the Commission, any vested rights in or to any particular health and hospitalization plan, dental plan, life insurance plan, and/or disability insurance plan coverage whatsoever.

Officers and employees may be required to make contributions for employee and dependent coverage.

201 Continuous Service

An Officer or regular employee must be compensated for the equivalent of $\frac{3}{4}$ of his/her standard hours per pay-period to accrue annual leave and sick leave; to receive flex dollar credit; and to participate in insurance benefits. If an Officer or employee fails to be compensated for $\frac{3}{4}$ of his/her standard hours per pay-period, but wishes to continue insurance coverage, he/she may notify Human Resources of his/her decision in which case he/she will be required to pay *premiums to continue* insurance coverage. ~~in accordance.~~

202 Benefit Plans

202.1 Optional Benefits Plan

Effective ~~July 1, 2000,~~ *January 1, 2003*, for Officers and regular employees hired before October 1, 1997, the Commission will contribute a maximum of \$489-\$520 per month for employee and dependent for group health, dental and vision insurance coverage. Any unused contribution ~~may be~~ is used for the employee's deferred compensation plan or paid as taxable income.

202.2 Flexible Benefits Plan

Effective January 1, 1998, an Officer or regular employee hired before October 1, 1997, may elect to enroll in the Flexible Benefits Plan in lieu of the Optional Benefit Plan. All employees hired as of January 1, 1998 participate in the Flexible Benefits Plan.

Effective January 1, 1998, the Commission offers a Flexible Benefits Plan to include the following benefits:

- Medical (including eligible domestic partners)
- Dental (including eligible domestic partners)
- Vision (including eligible domestic partners)
- Term Life
- Accidental Death and Dismemberment
- Elective Annual Leave
- Short-Term and Long-Term Disability
- Health Care Spending Account
- Dependent Care Spending Account
- State Disability

Please note that employees who contribute to California State Disability are eligible to take Paid

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Family Leave beginning on or after July 1, 2004. The standards for eligibility are established by the California Employment Development Department.

The Commission's monthly contribution for the Flexible Benefits Plan effective ~~July 1, 2000~~, *January 1, 2003*, will be the greater of \$735 \$770 or the following percentage of an employee's monthly salary based on years of service as of the employee's anniversary date:

- 14.5% - less than five years of service
- 17.0% - 5 to less than 10 years of service
- 17.4% - 10 years of service
- 17.8% - 11 years of service
- 18.2% - 12 years of service
- 18.6% - 13 years of service
- 19.0% - 14 or more years of service

Any unused contribution ~~may be~~ *is* used for the employee's deferred compensation plan or paid as taxable income.

~~Officers and regular employees only are eligible to participate in the following benefit programs:~~

Officers or regular employees must elect health coverage (single coverage) and have the option to waive all other benefits provided that the Officer or employee complies with certifying under penalty of perjury that he/she has covered, any spouse, former spouse, and/or dependent(s). Health coverage may be waived only if the Officer or employee is the primary subscriber, not a dependent, in an employer sponsored group medical plan or retirement medical plan or Medicare and must provide documentation showing coverage as the primary subscriber.

203 Retirement

As a condition of employment, Officers and regular employees shall participate in the California State Public Employees' Retirement System. (CALPERS)

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The Commission will pay the normal employer portion of the (CALPERS) program and a portion of the employee's share of retirement contribution to a maximum four and one-half percent of the employee's monthly salary. The remaining two and one-half percent of the employee's share will be treated as the employee contribution through salary reduction for tax treatment only, pursuant to Section 414(h) (2) of the Internal Revenue Code.

204 Health Insurance Coverage

The Commission will provide group health insurance coverage, pursuant to employees' *benefit plan* elections under Section 202.

205 Continued Health Insurance Under Federal Law-COBRA

Employees and/or their dependents (beneficiaries) are eligible to continue at their own expense their health coverage at a premium of 102% of the applicable group rate if the following conditions apply:

1. Employees, who are terminated (except those terminated for gross misconduct), or who have a reduction of hours (partial or full layoff or an extended leave of absence of more than 30 days), are eligible to continue their health insurance benefits for 18 months, thereafter such employees are entitled to convert at their own expense their group policy to individual policies.
2. ~~Employees or beneficiaries~~, *Qualified beneficiaries*, who are no longer eligible for group health coverage because of (1) death of the employee, (2) divorce or legal separation from the employee, (3) the employee becoming eligible for Medicare, or (4) a dependent child of an employee being no longer qualified as a dependent, are eligible to continue their health insurance coverage for 36 months; thereafter such ~~employees~~ *qualified beneficiaries* are entitled to convert at their own expense their group policy to individual policies.
3. For plan years beginning on or after December 19, 1989, certain disabled qualified beneficiaries of employees, who are terminated, (except those terminated for gross misconduct), or who have a reduction of hours (partial or full layoff or an extended leave of absence for more than 30 days), may be eligible to continue their health insurance benefits for *an additional 11 months of COBRA continuation coverage for a maximum of 29 months.* ~~or even 36 months so long as the disabled qualified beneficiaries were disabled within 60 days of~~

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~~the time employees became eligible for continuation coverage and the qualified beneficiaries provide notice of their disabilities determination before the end of the original 18 month period of continuation coverage.~~ Disabled qualified beneficiaries may be charged 150% of the applicable group rate, after the initial 18-month period of continuation coverage. The qualified beneficiary's disability must be determined under Title II (Old Age, Survivors, and Disability Insurance) and Title XVI (Supplemental Security Income) of the Social Security Act. *It is the qualified beneficiaries responsibility to obtain the disability determination from the Social Security Administration. A copy of the determination must be submitted to the Commission within 60 days of the date of the determination and before the end of the 18-month period for COBRA continuation in order to continue coverage under COBRA.*

4. *New dependent(s) of a qualified beneficiary acquired through marriage during the period of continuation may be added to the coverage according to the rules of the health plan. The new dependent(s) do not gain the status of a qualified beneficiary (except for newborn(s) or adopted children).*

Continuation benefits are no longer available when the earlier of the following occurs:

1. ~~The 18-month, 29-month, or 36-month period expires. The expiration of the 18-month (29-month or 36-month if applicable) continuation period.~~
2. Commission ceases providing any group health plan to employees.
3. The premium is not paid timely by the employee and/or the beneficiary.
4. The qualified employee and/or beneficiary becomes covered by any other group plan or Medicare.
5. A beneficiary remarries and becomes covered by another health plan.
6. *A qualified beneficiary provides notification to the Commission to cancel continuation coverage.*

206 Continued Health Insurance Under California Law (Extended COBRA)

Employee's in the state of California who have fully completed the continuation coverage as provided under the federal law – COBRA are eligible at their own expense for an additional 18 months of coverage under California law for a maximum of 36 months from the date the employee's continuation coverage began under COBRA. The premiums for this extended 18 months of coverage may be raised to 110% of the applicable rates charged to the employer for active employees.

Employee's who have worked at least five years and are at least 60 years of age or older on the date their employment terminates, as well as their spouse, are eligible to continue their coverage at their own expense, under the same terms and conditions as were provided under federal COBRA, subject to payment of premium not to exceed 213% of the applicable group rate.

Extended continuation benefits are no longer available when the earlier of the following occurs:

1. The date any required premium is not paid after any grace period;
2. The date the group plan terminates and is not replaced;
3. The date the individual becomes insured under another group health plan;
4. The date the individual attains 65 years of age;
5. For a spouse, five years from the date the employee's employment ended.
6. *A qualified beneficiary provides notification to the Commission to cancel continuation coverage.*

The employer shall notify the former employee of the availability of continuation benefits under this section at least 90 calendar days prior to the date continuation coverage under federal COBRA is scheduled to end. To continue health care coverage pursuant to this section, the individual shall elect to do so by notifying the *health care service plan or the health insurer (insurance carrier) employer* in

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writing within 30 calendar days prior to the date continuation coverage under federal COBRA is scheduled to end.

Premiums for state continuation coverage shall be billed by, and remitted to the health insurer (insurance carrier) or the health care service plan. Health insurance premiums will be due on the first of each month and are subject to a maximum grace period of thirty (30) days. Failure to pay the requisite premiums will result in termination of the continuation coverage in accordance with the applicable provisions in the plan's group subscriber agreement with the former employee.

207 Dental Insurance Coverage

The Commission will provide optional dental insurance coverage, pursuant to employees' *benefit plan* elections under Section 202.

208 Vision Insurance Coverage

The Commission will provide optional vision insurance coverage, pursuant to employees' *benefit plan* elections under Section 202.

209 Life Insurance

The Commission provides *the* \$5,000 basic term life insurance for each Officer and regular employee. Basic term life insurance is provided to Officers and regular employees, as of the date of employment, pursuant to employees' *benefit plan* elections under Section 202.

Employees who terminate from the Commission for any reason or who are no longer eligible for Commission paid coverage may be entitled to convert ~~the this coverage~~ \$5,000 basic term life insurance coverage into an individual policy. Applications for conversion must be filed with the appropriate insurance company within thirty-one (31) days after termination of employment or eligibility ceases, pursuant to employees' *benefit plan* elections under Section 202.

The Commission reserves the absolute right, in its discretion, at any time and from time to time, to discontinue coverage under any life insurance plan in which it or its employees have previously been enrolled and to substitute for such prior coverage alternate coverage which may be different in character and amount, and either more or less comprehensive. Employees of the Commission shall not have or gain, by reason of their employment with the Commission, any vested rights in or to any particular life coverage

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whatsoever, pursuant to employees' *benefit plan* elections under Section 202.

210 Accidental Death and Dismemberment Insurance

The Commission provides \$5,000 accidental death and dismemberment insurance for each Officer and regular employee. Group Accidental Death and Dismemberment insurance is provided as of the date of employment, pursuant to employees' *benefit plan* elections under Section 202.

211 Unemployment Insurance

The Commission will provide Unemployment Insurance as required by the State of California, pursuant to employees' *benefit plan* elections under Section 202.

212 Workers' Compensation

The Commission will provide Workers' Compensation *benefits to all employees*, as required by the State of California.

213 Disability Insurance

~~The Commission will provide a disability insurance plan, pursuant to employees' elections under Section 202.~~

The Commission will provide an Officer or a regular employee a disability insurance plan, pursuant to employees' benefit plan elections under Section 202.

Officers and regular employees may elect to participate in the California State Disability Insurance Program administered by the State of California Employment Development Department.

Officers and employees who contribute to the California State Disability Insurance Program are eligible for Family Temporary Disability Insurance or Paid Family Leave beginning on or after July 1, 2004. The standards for eligibility are established by the California Employment Development Department.

214 Social Security Medicare

All employees appointed on or after April 1, 1986, will participate in the Social Security Medicare program.

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215 Officer Automobile Allowance

The Commission may provide a maximum fixed monthly automobile allowance at the rate of \$300 for Directors and \$200 for Managers.

216 Retiree Medical

Effective July 1, 1992, the Commission will provide retiree medical benefits for only eligible Officers and regular employees. In order to be eligible an *Officer or regular* employee must have at least 10 years of continuous service with the Commission, or continuous previous service credit with the Housing Authority of the County of Los Angeles; and must be at least 50 years of age at retirement. The Commission will contribute towards the payment of medical insurance for the *Officer or regular* employee only per the following schedule:

10 - 14 years of service.....	75%
15 - 19 years of service	75% + 5% for every year of service over 15 years
20 + years of service	100%

Effective January 1, 2005, the Commission will not contribute more than the highest amount contributed for a current regular employee of the Commission for employee only medical insurance. Further, the Commission reserves the right in its absolute discretion to pay no more than the amount paid on behalf of current regular employees for the most inexpensive employee only medical insurance.

Should a retiree decide to move outside of the service area of the current Commission health plans, the retiree is responsible for obtaining his/her own health insurance. Upon the retiree providing proof of insurance and cost of insurance coverage, the Commission will directly reimburse the retiree. The percentage of reimbursement will be based upon the above years of service schedule and no more than the highest amount contributed for a current regular employee of the Commission for employee only medical insurance. In no case will the Commission reimburse the retiree an amount exceeding the actual cost of medical insurance coverage. The Commission also reserves the right to pay no more than the amount paid on behalf of current regular employees for the most inexpensive employee only medical insurance.

In addition, all retirees are required to enroll in Medicare Parts A & B upon reaching eligibility age. If the retiree fails to enroll in a timely manner, the Commission reserves the right in its absolute discretion to take a credit against the cost of medical insurance. If the retiree fails to ultimately enroll in Medicare Parts A & B, the Commission in its absolute discretion may cease to contribute towards the payment of medical insurance as provided in the above years of service schedule.

217 Additional Benefits

The Commission is authorized to provide the following additional benefits:

- A Credit Union Membership
- ~~A Deferred Compensation Plan~~
- An Employee Assistance Program
- ~~A Savings Bond Program~~

The Commission is currently authorized to provide the following additional benefits through a payroll deduction program on a voluntary basis:

- A Savings Bond Program
This plan allows employees to purchase U.S. savings bonds.
- A Deferred Compensation Plan
This plan allows employees to make contributions through salary reduction (pre-tax basis) up to a maximum per calendar year, (adjusted for inflation), pursuant to Section 457 of the Internal Revenue Code. If any, the employer's matching contribution to employees participating in this plan is determined annually in the absolute discretion of the Commission.

Temporary employees are eligible for only those benefits required by law.

300 LEAVES WITH PAY

301 ~~Annual Leave~~ Annual Leave (Non-Elective)

301.1 Flexible Benefits Plan

Effective January 1, 1998 an Officers or regular employees enrolled in the Flexible Benefits Plan with at least one full year of service shall receive ~~10 non-elective annual leave days (80 hours)~~ *80 hours of non-elective annual leave* on January 1 of each calendar year. Officers or Regular employees with less than one full year of service will receive a pro-rated number of non-elective annual leave ~~hours days~~ on January 1. A new hire will begin accruing leave on the first pay period after the employee completes one full calendar month of compensated service. ~~Up to 160 hours may be purchased as part of the Flexible Benefits Plan.~~ These non-elective annual leave ~~hours days~~ are subject to the continuous service rule. ~~The non-elective Annual leave~~ may be used for vacation, personal or family illness or injury, or personal leave purposes for employees who are enrolled in the Flexible Benefits Plan.

Up to 160 hours of elective annual leave may be purchased as part of the Flexible Benefits Plan. Before an employee can use any of the purchased elective hours the employee is required to use all non-elective leave hours issued on January 1 of the same Plan Year.

301.2 Optional Benefits Plan

Officers and regular employees hired before October 1, 1997 who are enrolled in the Commission's Optional Benefit Plan shall accrue annual leave used for vacation beginning with their first full calendar month of compensated service.

Annual leave is earned at rates equivalent to the following schedule for compensated service:

1 – 48 months of service..... 10 workdays

49 – 120 months.....15 workdays

121 months or more of service.....15 workdays plus one
workday for each 12
months over 120 months
(not to exceed 20
workdays)

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Employees who convert from contract status to regular status shall receive pro-rated non-elective annual leave days on the following January based on the change of status date and subject to the compensated continuous service rule for the previous 12 months.

~~Employees enrolled in the Commission's Flexible Benefit Plan who opt out of the Optional Benefit Plan during open enrollment shall receive 10 non-elective annual leave days on the following January of the upcoming year. These non-elective annual leave days are subject to the continuous compensated service rule.~~

Employees who separate employment will receive pro-rated non-elective annual leave days based on their months of service in the current calendar year and are subject to the compensated continuous service rule.

Unused annual leave for each employee in excess of 240 hours as of the last paycheck of each year may not be carried to the next calendar year. Any hours in excess of 240 will be paid to the employee at his/her hourly rate as of the last paycheck of the calendar year.

302 Bonus Annual Leave (For Employees under Optional Program)

Effective July 1, 1997, an employee shall receive 8 hours additional annual leave for each increment of 100 hours unused sick leave accrued to a maximum of 32 bonus hours.

Bonus annual leave shall be accrued and posted on a calendar year basis in January of each calendar year. *Bonus annual leave applies only to Officers and regular employees who are enrolled in the Commission's Optional Benefits Plan. Employee shall accrue bonus annual leave each calendar year to be posted by the second pay period in January. Bonus annual leave shall be ~~accrued and posted~~ shall be granted and utilized according to the normal provisions of annual leave.*

303 Sick Leave

The equivalent of eight hours sick leave is accrued for each full month of compensated service for employees hired prior to October 1, 1997 under the Optional Benefit Plan. Sick leave may be used for personal or family illness, injury, pregnancy disability and medical, dental, or optical examination or treatment. Family is defined as spouse, child (biological, adopted, foster child, or step child who is

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under 18 years of age), or parent of the employee or domestic partner of employee.

304 Bereavement Leave

Up to three days of paid leave is permitted in the event of death of the following:

Father, mother, sister, brother, spouse, child, stepmother, stepfather, stepchild, mother-in-law, father-in-law, grandmother, grandfather, grandchild, or domestic partner.

305 Military Training or Duty Leave

Up to 30 working days per year is permitted for military training or duty.

306 Jury Duty and Witness Leave

~~Up to 176 hours per year is permitted for jury duty and witness service. Officers and regular employees are permitted up to 176 hours for jury duty and witness service. Employees will not be paid for jury duty performed on a regularly scheduled day off or while on an unpaid leave of absence.~~

Commission-related *jury duty and* witness service that extends beyond normal work hours will be credited as overtime.

307 Workers' Compensation

The amount of Workers' Compensation benefits is determined by the State Labor Code. The benefit payment is two-thirds of an employee's average weekly earnings up to a maximum set by the State Law. Officers and employees receiving Workers' Compensation benefits may elect to supplement Workers' Compensation with accrued holiday, overtime, annual or sick leave benefits.~~leave. However, in no case will the~~ The total payments of Workers' Compensation and other benefit ~~benefits must not~~ payments exceed 100 percent of the employee's gross regular pay. ~~Payments in excess of Workers' Compensation payments will be~~ Leave accruals used, are taxable income.

308 Administrative Leave

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When the Executive Director determines that it is in the best interest of the Commission and/or an Officer or employee, Administrative Leave may be authorized.

The Executive Director may approve up to five days of paid Administrative Leave per year for Officers in lieu of compensatory time.

400 LEAVES WITHOUT PAY

The following leave benefits and privileges apply to Officers and regular employees:

401 Personal Leave

Personal leaves of Officers and regular appointment employees shall be considered a privilege rather than a right. Such leave shall be considered for an employee who has worked 1,250 hours with one year or more employment with the Commission, without prejudice to the interests of the employee, and in accordance with the welfare of the Commission and authorized approval of the Executive Director. Personal leaves shall not be granted to supplement any other paid or unpaid leaves of absence or to replace any paid leaves of absence in which an employee is without accruals, unless specifically provided below.

Short Term Personal Leave. Personal leave of five days or less may be authorized by the Division Director. This leave must be compelling and of an emergency nature.

Extended Term Personal Leave. Personal leave of more than five days, but less than 90 days, may be authorized in advance by the Executive Director for reasons of personal and/or family illness, study, or personal emergency.

Long Term Personal Leave. Personal leave of more than 90 days, but less than six months, may be authorized in advance by the Executive Director for reasons deemed in the best interest of the Commission.

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402 Regulatory Leave

When the Executive Director determines that it is in the best interest of the Commission or an Officer or employee, Regulatory Leave may be authorized.

403 Military Service

An Officer or employee who enters active service of the Armed Forces of the United States shall be granted a leave of absence for time in service and 60 calendar days following discharge, or hospitalization continuing after discharge for a period of not more than three calendar months, or as required by law.

404 Parental Leave for School Visits

An employee who is a parent, *guardian*, or *grandparent having custody* ~~or guardian~~ of a child in kindergarten or grades 1 through 12, or attending a licensed child day care facility, may take off forty hours each school year, not exceeding eight hours in any calendar month of the school year, to participate in activities of the school or licensed child day care facility of any child, if the employee prior to taking time off, gives reasonable notice to the Executive Director or his/her designee of the planned absence of the employee. This is unpaid, unless accrued annual leave or accrued compensatory time is utilized. The employee, if requested to do so, shall provide documentation from the school or licensed child day care facility as proof that he or she has visited the school on a specific day and at a particular time.

405 Family Care and Medical Leave

In accordance with federal and state law, employees who have worked continuously for at least one year and have completed 1,250 hours over the previous twelve months may take an unpaid leave of absence for up to twelve weeks in any twelve month period to care for a newborn child, to care for a child joining the household through adoption or foster care, to care for the employee's seriously ill spouse, child, or parent, or for the employee's own serious health condition that prevents the employee from performing his/her job.

The twelve-week federal family care (Family and Medical Leave Act/FMLA) runs concurrently with the ~~twelve-six-week~~ California Paid Family Leave (*Family Temporary Disability Insurance Program/FTDI*) and the twelve-week California family care leave (*California Family*

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Rights Act/CFRA), except in the case of a leave taken due to pregnancy disability.

A physician's certificate is required to verify the extent and duration of the employee's own illness, or the serious health condition necessitating the leave to care for an ill spouse, child, or parent. An employee who plans to take a family care leave must give a thirty-day notice when the leave is foreseeable.

~~The employee may choose to use accrued leaves with pay in accordance with Section 300.~~

Employees may choose to use accrued leaves with pay in accordance with Section 300. Employees may be required to use leave banks to meet the business needs of the Commission in the absolute discretion of the Commission and/or to prevent improper leave accruals.

406 Pregnancy Disability Leave

A pregnant employee is entitled to a reasonable leave of absence without pay for any temporary disability resulting from pregnancy, miscarriage, childbirth or recovery therefrom. Such reasonable leave of absence shall not exceed six months.

~~An employee shall take an unpaid leave of absence during such leave of absence, except that accrued annual leave and sick leave may be taken at the option of the employee.~~

Employees may choose to use accrued leaves with pay in accordance with Section 300. Employees may be required to use leave banks to meet the business needs of the Commission in the absolute discretion of the Commission and/or to prevent improper leave accruals.

As with all other temporary disabilities, a physician's certificate is required to verify the extent and duration of the temporary disability.

An employee who plans to take a pregnancy leave must give reasonable notice at least 30 days before the date she will take the leave. The notice must include the estimated duration of the leave.

Medical, dental and life insurance coverage will be continued through the end of the last calendar month subject to the continuous service rule unless the employee is eligible under the

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federal Family and Medical Leave Act (FMLA). Thereafter, an employee may make arrangements to pay insurance premiums.

An employee's Pregnancy Disability Leave will apply to the federal Family and Medical Leave Act (FMLA). For the first twelve weeks of the leave an eligible employee's group health benefits will be maintained at the same level it was prior to the leave, provided the employee maintains the same contribution amount as required prior to the leave of absence.

407 Medical Leave

An employee is entitled to a reasonable leave of absence without pay for any temporary disability resulting from illness, injury or recovery therefrom. Such reasonable leave of absence shall not exceed six months. If the employee has returned to work and has not completed six months of continuous employment, any period of leave for the same cause or causes longer than 12 weeks will be treated as one continuous period of leave. Such period of continuous leave shall not exceed six months.

~~Employees shall take an unpaid leave of absence during medical leave of absence except that accrued vacation pay and sick leave may be taken at the option of the employee.~~

Employees may choose to use accrued leaves with pay in accordance with Section 300. Employees may be required to use leave banks to meet the business needs of the Commission in the absolute discretion of the Commission and/or to prevent improper leave accruals.

As with all other temporary disabilities, a physician's certificate is required to verify the extent and duration of the temporary disability.

An employee who plans to take a medical leave must give reasonable notice at least 30 days, if possible, before the date he or she will take the leave. The notice must include the estimated duration of the leave.

Medical, dental and life insurance coverage will be continued through the end of the last calendar month subject to the continuous service rule unless the employee is eligible under the *federal* Family and Medical Leave Act (FMLA). Thereafter, an employee may make arrangements to pay insurance premiums.

An employee's Medical Leave will apply to the federal Family and Medical Leave Act (FMLA). For the first twelve weeks of the leave an eligible employee's group health benefits will be maintained at the same level it was prior to the leave, provided the employee maintains the same contribution amount as required prior to the leave of absence.

408 Industrial Leave

An employee who has an industrial illness or injury is entitled to a leave of absence without pay until the employee can either return to duty and perform *the essential functions of his or her prior job duties* ~~duties~~, with or without ~~restriction~~ *reasonable accommodation*, or the employee is terminated due to a physical incapacity because: (1) he or she is *still* permanently disabled over *18 months after the industrial illness or injury* and is eligible for vocational rehabilitation, and/or (2) he or she cannot perform *the essential functions of his or her prior job duties* ~~duties~~, with or without *reasonable accommodation*, ~~restriction~~ due to a permanent ~~disability~~ *disability over 18 months after the industrial illness or injury*.

As with all other temporary disabilities, a physician's certificate is required to verify the extent and duration of the temporary disability.

Medical, dental and life insurance coverage will be continued through the end of the last calendar month subject to the continuous service rule unless the employee is ~~eligible~~ under the *federal* Family and Medical Leave Act (FMLA). Thereafter, an employee may make arrangements to pay *his or her* insurance premiums.

An employee's Industrial Leave will apply to the federal Family and Medical Leave Act (FMLA). For the first twelve weeks of the leave an eligible employee's group health benefits will be maintained at the same level it was prior to the leave, provided the employee maintains the same contribution amount as required prior to the leave of absence.

The Commission will maintain group health benefits at the same level it was prior to the leave, provided the employee maintains the same contribution amount as required prior to the leave of absence, while an employee is temporarily disabled for a period not to exceed 18 months, unless a Court of Appeal shortens the time period an employer must maintain group health insurance benefits

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for an employee who is disabled due to an industrial illness or injury.

409 Domestic Violence Leave

Employees who are victims of domestic violence are eligible for unpaid leave. You may request leave if you are involved in a judicial action, such as obtaining restraining orders, appearing in court to obtain relief to ensure your health, safety or welfare, or that of your child. This is unpaid leave, unless accrued annual leave or accrued compensatory time is utilized.

An employee should provide notice and certification of a need to take leave under this policy. Certification may be sufficiently provided by any of the following:

- A police report indicating that the employee was a victim of domestic violence, or documentation from a legal counselor or attorney.*
- A court order protecting or separating the employee from the perpetrator of an act of domestic violence, or other evidence from the court or prosecuting attorney that the employee appeared in court.*
- Documentation from a medical professional, a domestic violence services advocate, a health-care provider, or a counselor that the employee was undergoing treatment for physical or mental injuries or abuse resulting in victimization from an act of domestic violence.*

The Commission will, to the extent allowed by law, maintain the confidentiality of an employee requesting leave under this provision.

410 Paid Family Leave

In accordance with state law effective January 1, 2004, employees who contribute to the California State Disability Insurance program may be eligible for up to six (6) weeks of paid benefits when time off work is taken to bond with employee's own child or employee's domestic partner's child; or a child placed for adoption or foster care with employee or employee's domestic partner; or to provide care to a child, parent, spouse or domestic partner of an employee who is seriously ill or unable to take care of themselves. An

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employee who plans to take a paid family leave must give a thirty day notice when the leave is foreseeable.

The standards for eligibility are established by the California Employment Development Department. Claims for Paid Family Leave beginning on or after July 1, 2004 are payable through the Employment Development Department, State of California, and are subject to a waiting period of seven consecutive days during which no benefits are available.

The six-week California Paid Family Leave (Family Temporary Disability Insurance Program/FTDI) runs concurrently with the twelve-week federal family care leave (Family and Medical Leave Act/FMLA) and twelve-week California family care leave (California Family Rights Act/CFRA), if applicable.

500 UNAUTHORIZED LEAVES

An employee shall notify his/her supervisor or a member of management during the first hour of each workday if he/she is unable to report to work. An employee who does not report to work for three consecutive workdays and who has not reported his/her absence to his/her supervisor or a member of management, shall be considered to have voluntarily resigned from his/her position with the Commission.

/

Housing Authority - County of Los Angeles

April 8, 2004

TO: Each Housing Commissioner
FROM: Bobbette Glover, Assistant Executive Director *Bobbette O. Glover*

SUBJECT: CONFLICT OF INTEREST POLICY

Attached for your review and approval is the proposed Conflict of Interest Policy for the Housing Commission. County Counsel and the Housing Authority Attorney have approved the language of the policy.

Should you have questions, please contact me at (323) 890-7402. Thank you.

BG:gm

Attachment: 1

LOS ANGELES COUNTY HOUSING COMMISSION CONFLICT OF INTEREST POLICY

Purpose

The purpose of this policy is to provide guidelines to ensure that all official actions taken by members of the Housing Commission are fair and impartial, and that such actions do not constitute a conflict of interest with the goals and objectives of the Housing Authority.

Goals and Objectives

To ensure that members of the Housing Commission maintain the highest standards of conduct and integrity, and that members do not participate in or attempt to influence any Housing Commission decision in which he or she has personal financial interest.

Background

The Political Reform Act (Government Code, Section 81000, *et seq*) requires that state and local government agencies adopt and promulgate conflict of interest codes. The Fair Political Practices Commission of the State of California has adopted 2 California Code of Regulations, Section 18730, which contains the terms of a standard conflict of interest code. It is the practice of the Housing Authority to abide by 2 California Code of Regulations, Section 18730, and all amendments thereto.

Definition

Government Code, Section 87100, states: "No public official at any level of state or local government shall make, participate in making or in any way attempt to use his official position to influence a government decision in which he knows or has reason to know he has a financial interest."

Prohibited Behavior

During the tenure of each Housing Commissioner, certain actions are prohibited to avoid actual or potential conflicts of interest. Prohibited behavior includes, but is not limited to the following:

- a. Engaging in private employment or rendering services for private interests which may interfere with the proper discharge of official duties, or which

give the appearance that independence of judgment or actions in the performance of official duties would be impaired.

- b. Without legal authorization, using official influence, insignia of office or disclosing information, either confidential or not generally known or readily available to the public, concerning the property, government or business of the Housing Authority for the purpose of furthering or influencing any private financial interest.
- c. Appearing on behalf of or attempting to influence any agency, committee or official body of the Housing Authority for the benefit of any private financial interest, except for appearances as a member of the general public for self-representation on matters involving his or her personal interests.
- d. Knowingly participating in any Housing Authority decision that could affect his or her personal financial interests, except in cases where the decision is generally applicable to all or a significant portion of the public or Housing Authority residents or participants.
- e. Soliciting or accepting, directly or indirectly any gift, gratuity, favor, discount not available to members of the public, entertainment, loan or other things of value, from any organization or individual doing business with the Housing Authority.

Examples of Conflicts of Interest: Making a commitment to a vendor to cast a vote approving a Housing Authority contract award in exchange for gifts, gratuities or other benefit provided by the vendor to the Housing Commissioner; attempting to influence a Housing Authority employee to provide a favorable property inspection report, when the Housing Commissioner has an interest in the property.

Procedures

- a. Filing of Statement of Economic Interests Form 700

During March of each year, the Secretary-Treasurer will provide for distribution of the Statement of Economic Interests Form 700 to each Housing Commissioner. The form will request data on reportable investments, real property holdings, business positions held and income received during the prior calendar year. Completed forms must be returned to the Secretary-Treasurer by the requested deadline for filing with the Executive Office of the Board of Supervisors by April 1st.

Housing Commissioners appointed at other times during the year will receive Statement of Economic Interests Form 700 as part of the

appointment process. Housing Commissioners who resign or who reach the end of their terms of office must file a Leaving Office Statement, as required by the Fair Political Practices Commission.

Housing Commissioners who failure to complete and return the Statement of Economic Interests Form 700 by the requested deadline may be assessed a fine, as determined and acted upon by the Fair Political Practices Commission.

b. Voting on Housing Authority Matters

Housing Commissioners must not knowingly participate or attempt to influence any Housing Authority decision that could affect his or her personal financial interests or result in other personal benefit, except for decisions that are applicable in a similar manner to all or a significant portion of the public, or Housing Authority residents or participants. Upon learning of a possible conflict, the Housing Commissioner must make the facts known to the Secretary-Treasurer.

In some situations, the Housing Commissioner may have to publicly announce his or her financial interest, refrain from any Housing Authority discussion of the item, and leave the meeting room while the item is being discussed. However, this does not prevent the interested Housing Commissioner from addressing the Housing Commission as a member of the public.

If a Housing Commissioner excuses himself or herself from a vote due to a conflict of interest, the member cannot be counted as part of the meeting quorum. If the excused Housing Commissioner is necessary for a quorum, the Housing Commission must postpone voting on the item until such time as a quorum is comprised of members without conflicts of interest related to the subject matter.

Violations

Violations of this Conflict of Interest Policy may be pursued at the discretion of the Executive Office of the Board of Supervisors and/or the Fair Political Practices Commission.